

# TRANSCRIPT OF RECORD.

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SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1919.

No. 555

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NATIONAL BRAKE & ELECTRIC COMPANY, PETITIONER,

vs.

NIELS A. CHRISTENSEN AND ALLIS-CHALMERS COMPANY.

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ON WRIT OF HABEAS CORPUS TO THE UNITED STATES CIRCUIT COURT  
OF APPEALS FOR THE SEVENTH CIRCUIT.

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PRINTED FOR THE SUPREME COURT, 1919.

RECEIVED AND ENTERED FOR RECORD, 1919.

(NY 1919)





(27,133)

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1919.

No. 382.

NATIONAL BRAKE & ELECTRIC COMPANY, PETITIONER,

*vs.*

NIELS A. CHRISTENSEN AND ALLIS-CHALMERS COMPANY.

ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT  
OF APPEALS FOR THE SEVENTH CIRCUIT.

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a In the United States Circuit Court of Appeals for the Seventh Circuit.

No. 2163.

NATIONAL BRAKE & ELECTRIC COMPANY, Appellant-Petitioner,

vs.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS COMPANY, Appellees-Respondents.

Volume I.

*Pleadings in re Petitioner's Application for an Order Directing Dismissal of Bill Brought in the United States District Court for the Eastern District of Wisconsin.*

Mr. Charles A. Brown, Mr. John S. Miller, Mr. Thomas B. Kerr, Counsel for Appellant-Petitioner.

Mr. Joseph B. Cotton, Mr. Willet M. Spooner, Mr. Louis Quarles, Counsel for Respondents-Appellees.

b (Filed August 19, 1918.)

United States Circuit Court of Appeals for the Seventh Circuit.

No. 2163.

NATIONAL BRAKE & ELECTRIC COMPANY, Appellant,

vs.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS COMPANY, Appellees.

In the Matter of the Application of National Brake & Electric Company for an Order Directing the Dismissal of the Bill of Complaint Brought against it by said Plaintiffs in the United States District Court for the Eastern District of Wisconsin—in Equity, No. 474—and for a Stay of Proceedings in the District Court until Application is Heard and Determined.

And now comes National Brake and Electric Company by its solicitors, and hereby moves this Court to enter an order directing the dismissal by the District Court of the United States for the Eastern District of Wisconsin, of the bill of complaint brought and filed against said National Brake and Electric Company, as defendant, by Niels A. Christensen and Allis-Chalmers Company, as plaintiffs, in the United States District Court for the Eastern District of Wisconsin, Equity Number 474, said dismissal to be at the costs of



the said plaintiffs; said suit being the same suit which was pending in this Court upon the said appeal of said National Brake and Electric Company as No. 2163 of the October Term, 1913, of this Court, from the interlocutory decree of said District Court enjoining said defendant National Brake and Electric Company from infringing patent No. 635,280, as appears by the transcript upon said appeal now remaining in this Court.

2. This motion is based upon the ground that all of the issues in the case have been fully and finally determined and adjudicated in said defendant's favor by the United States Circuit Court of Appeals for the Third Circuit and by the final decree of the District Court for the Western District of Pennsylvania in the suit between the said plaintiffs and the Westinghouse Traction Brake Company, with which company this said defendant was in privity.

3. Said National Brake and Electric Company begs to refer to the records of this Court in the matter of the above appeal as to the proceedings in this Court upon said appeal No. 2163.

4. In support of this motion and application, your petitioner shows that in and by the interlocutory decree of the said District Court from which said appeal was taken, it was ordered, adjudged and decreed, that the petition of Niels A. Christensen No. 635,280, dated October 17, 1899, for "Combined Pump and Motor" is good and valid as to each and every of the claims thereof; and that the defendant, National Brake & Electric Company, its officers, agents, representatives, attorneys, employes, servants and workmen and each of them, and any and all others acting by and under its authority, for the remainder of the term of 17 years from and after March 21, 1899, be and they were enjoined and restrained from making, selling or using and causing to be made, sold or used, any combined pump and motor embodying the improvements described in any of the claims of said letters patent No. 635,280; and that Louis M. Ogden be appointed a Master to ascertain and report to the court the number of combined pumps and motors embodying the subject-matter of the claims of said patent number 635,280 and that have been made and sold by defendant in infringement of the patent, and the gains and profits made by defendant thereon and the damages sustained by complainant by reason of such manufacture, use and sale; as by reference to said decree appearing in the transcript of the above entitled case in this Court, at page 343 thereof, will appear.

5. That on March 11, 1916, the said plaintiffs, Christensen and Allis-Chalmers Company filed their bill of complaint in the United States District Court for the Western District of Pennsylvania against the Westinghouse Traction Brake Company with which company your petitioner was then and theretofore and since and is in privity, alleging the infringement by and on the part of the said Westinghouse Traction Brake Company of certain letters patent, among which were the alleged patents numbers 621,324 and 635,280 to the said plaintiff Christensen, issued on separate dates but each

being for the full term of 17 years. The said bill, as originally filed, was based upon the two alleged patents last mentioned relating to the combined pump and motor and was for the alleged like infringement by the defendant therein of the same patents, and another patent No. 680,832 on a compressor valve. It was alleged in said suit in the Eastern District of Wisconsin, said bill of complaint being cast in the same form and mold and containing the same or similar allegations and charges as the said amended bill of complaint filed in the said suit in the District Court of the United States for the Eastern District of Wisconsin on November 12, 1913, contained in the record of the said appeal to this Court, No. 2163; that the defendant, the Westinghouse Traction Brake Company filed its answer to the said bill of complaint against it; and that said suit in said District Court for the Western District of Pennsylvania contained and presented the same issues as were presented and contained in the said suit in the District Court of the United States for the Eastern District of Wisconsin. Your petitioner presents herewith a copy of the said bill of complaint in the said District Court for the Western District of Pennsylvania and asks that the same be taken with and as a part of this application.

6. That said suit and case in the said District Court for the Western District of Pennsylvania came on for hearing before that court upon the pleadings and proofs therein and such proceedings were had in that Court in that suit and cause, that afterwards on October 1, 1917, it was therein by said Court upon such hearing ordered, adjudged and decreed that said patent No. 635,280 to Niels A. Christensen dated October 17, 1899, for combined pump and motor was invalid, having been issued without warrant of law; and that the said bill of complaint in that suit be and it was dismissed as to said patent No. 635,280, with costs to defendant. That said decree last mentioned was entered in accordance with the mandate of the Circuit Court of Appeals of said Third Circuit, which was filed in said District Court of the Western District of Pennsylvania on August 3, 1917.

7. That thereupon on the same October 1, 1917, such further proceedings were had in the said suit in said District Court for the Western District of Pennsylvania that by the order, decree and judgment of that Court said suit therein was dismissed for want of prosecution.

That petitioner and applicant contends and will submit that the said final decree and order of the said District Court of the United States for the Western District of Pennsylvania of October 1, 1917, constitute a final, irreversible adjudication; that such patent number 635,280 was and is invalid and void.

8. Petitioner produces and herewith presents before and to this Court an authenticated transcript of the said proceedings and judgment and order in said suit in the District Court of the United States for Western District of Pennsylvania and also of the proceedings in and mandate of said United States Circuit

Court of Appeals for the Third Circuit in which that Court found and determined that said patent number 635,280 was invalid and void.

9. Petitioner is advised by Counsel that this honorable court, having in and by its judgment and decree of October 5, 1915, in the above entitled cause in said appeal No. 2163, ordered, adjudged and decreed that said decree of August 21, 1914, of said District Court for the Eastern District of Wisconsin be and the same was thereby affirmed, the said District Court last mentioned has not, without the assent or authority of this court, or may not have the right or power under and in accordance with the principles of law governing said court, or the practice and procedure in such cases, to entertain a motion or application or to set aside or modify or disregard its said decree of August 21, 1914, so affirmed by this Court; to dismiss the said bill of complaint in said suit against the petitioner, but that this Court has now such jurisdiction and power to entertain this motion or application and to adjudge and determine that the judgment and decree of said District Court of the United States for the Western District of Pennsylvania of October 1, 1917, is final, valid and irreversible adjudication that said letters patent No. 635,280, was and is invalid and void; that such adjudication is binding upon the parties to said suit in the said District Court for the Eastern District of Wisconsin; and that by reason thereof and by the said order of the said District Court for the Western District of Pennsylvania dismissing said suit therein for want of prosecution, the said suit in the District Court for the Eastern District of Wisconsin should and of right ought to be dismissed upon the motion of the defendant—this petitioner.

10. That it appears from the record of such cause upon the said appeal to this court No. 2163, and from the record of that suit in the said District Court that after the issue of said letters patent No. 621,324, dated March 21, 1899, and on or about September 16, 1899, the said plaintiff, Christensen, returned the said letters patent last mentioned to the Commissioner of Patents, together with a letter and petition of himself in which he refused to accept said letters patent No. 621,324, and requested that the same be cancelled, and that new letters patent be issued to him in conformity of the record of the case in the Patent Office, and that the Commissioner of Patents thereby complied with said request and broke the seal of said letters patent last mentioned and marked or caused the same to be marked cancelled; and that thereby afterwards on or about October 17, 1899, and under that date issued said letters patent number 635,280, and delivered to, and the same were accepted by said Christensen; in and by which letters patent last mentioned it was stated and provided that such letters patent were to grant unto the said Christensen, his heirs or assigns for the term of 17 years from the said 17th day of October, 1899, the exclusive right to make, use and vend the said invention therein mentioned throughout the United States and the territories thereof.

11. That the validity of said patent 621,324 has never been adjudicated or determined in the said suit in the said District Court for the Eastern District of Wisconsin or in any other Court; nor has this defendant ever been found or adjudged to have infringed the same; and that there is no decree under which or basis upon which an accounting of or decree for profits or damages against this defendant for the infringement of said patent 621,324 could be had, made or entered.

12. That notwithstanding the premises aforesaid the said Master in Chancery to whom the said suit in said District Court for the Eastern District of Wisconsin was referred for the purpose of taking an account as aforesaid has proceeded and is proceeding with the taking of such account; but that the taking of such account and the proofs and testimony thereon are not yet completed.

That the bill of complaint in said suit last mentioned alleges that the motor compressors, articles and apparatus made under plaintiffs' alleged grant have been and were marked under said alleged patent 635,280 and there is no allegation or proof that the same or any thereof were marked under said alleged patent 621,324.

13. This applicant and petitioner further shows that by reason of the circumstances in the last paragraph herein stated, the said accounting is without any authority of law; and that there is an emergency, because of which, as it submits, the further taking of the evidence or proceedings upon such accounting should be stopped and the other therefore set aside and discharged, and that in the meantime such accounting should be stayed and postponed until this application and petition and the matters aforesaid may be fully determined by this Court.

14. That at and before the time of the entry of the said decree and order in said suit in the District Court for the Western District of Pennsylvania, in and by which the said patent No. 635,280 was adjudged to be invalid and void, and by which the said suit was dismissed for want of prosecution, all the facts necessary to a final decree upon the merits as to the said alleged patent No. 621,324 and as to the validity thereof, as well as to and to the validity of said patent 635,280, were already in the record in the allegations of the bill of complaint and in the admissions of the answer, and there was nothing left to be determined or adjudicated except the legal questions and points thereon involved and presented thereby, and that prior to the entry of said decree and order last mentioned this defendant had made and presented and argued to and before said last mentioned court its motion for judgment in its favor in said suit last mentioned as to said alleged patent No. 621,324 and the validity thereof, as well as to said alleged patent 635,280.

15. This applicant and petitioner moves and prays, the premises considered, that this Honorable Court take jurisdiction and cognizance hereof and inquire into and determine the status of said case as herein outlined, and as to the force and effect of said final judgment and order in the said suit in the District Court for the Western District of Pennsylvania, and find and adjudge that the same was

and is a valid and final adjudication against said patent No. 635,280, and that said patent last mentioned was and is invalid and void; and also that said final decree and order of said District Court last mentioned was and is a final and binding adjudication against the said Christensen of the merits of said suit, as to said alleged patent No. 621,324 and that such adjudication is final and binding upon him, said Christensen and all claiming under him, in this suit and that this defendant is entitled thereon to a final decree in said suit in the District Court for the Eastern District of Wisconsin, dismissing said suit for want of equity; and that said District Court last mentioned be directed to proceed and act accordingly; and that this court for the purpose hereof, make such order in the premises, and issue such writ or writs of certiorari or otherwise as may be necessary or proper, ordering and directing said District Court last mentioned to enter such orders or to certify such records and proceedings to this Court for its consideration and determination, as to this Court shall seem proper; and for such other and further or different orders, directions, writs or relief as, the premises considered, *h* to this Court shall seem proper or necessary, to the end that the writs and equities of this applicant and petitioner be secured and enforced.

In support of this motion defendant will also file with this Court, at or before the hearing, a certified copy of the record on defendant's motion to dismiss said bill of complaint heretofore filed by the Clerk of the United States District Court for the Eastern District of Wisconsin.

CHARLES A. BROWN,  
*Solicitor for National Brake  
and Electric Company.*

CHARLES A. BROWN,  
JOHN S. MILLER,  
*Of Counsel.*

United States Circuit Court of Appeals for the Seventh Circuit.

No. 2163.

NATIONAL BRAKE & ELECTRIC COMPANY, Appellant-Petitioner,

vs.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS COMPANY, Respondent-Appellees.

Upon the filing of the petition by Appellant-Petitioner, National Brake & Electric Company, and the Court being advised in the premises, it is ordered that the answer of the Respondent-Appellees to said petition be filed herein by or before September 15, 1918.

Approved:

CHARLES A. BROWN,  
*For Appellant-Petitioner.*  
LOUIS QUARLES,  
*Solicitor for Respondent-Appellees.*



(Filed September 10, 1918.)

United States Circuit Court of Appeals for the Seventh Circuit.

No. 2163.

NATIONAL BRAKE & ELECTRIC COMPANY, Appellant-Petitioner,

VS.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS COMPANY, Respondents-Appellees.

Now come Niels A. Christensen and Allis-Chalmers Company and for answer to the application of National Brake & Electric Company filed August 19, 1918, admit, deny, and allege as follows:

1. Admit that the suit which said defendant National Brake & Electric Company (hereinafter called the petitioner) asks to be dismissed at the cost of the plaintiffs (hereinafter called respondents) is now pending in the District Court of the United States for the Eastern District of Wisconsin between the parties hereto and is known as Equity No. 474, and that an appeal had been duly taken therein from the decree therein of August 21, 1914, by said petitioner to this court and known as No. 2163 of October term 1913 of this court.

2. Deny that all or any of the issues in said case have been finally determined or adjudicated in favor of petitioner by the United States Circuit Court of Appeals for the Third Circuit or by the United States District Court for the Western District of Pennsylvania in an action in which Westinghouse Traction Brake Company was a party or otherwise, and deny that the respondents or either of them were or are in privity with said Brake Company.

3. Consent that said petitioner may refer to the records in this court in the matter of the said appeal, No. 2163.

4. Admit that in and by the decree of the said District Court of the United States for the Eastern District of Wisconsin in said suit, Equity No. 474, it was ordered, adjudged and decreed that respondent Christensen had obtained from the United States letters patent for a combined pump and motor that were good and valid as to each and every claim thereof, and that the petitioner was enjoined from infringing thereon for the remainder of the term of seventeen years from and after March 21, 1899, said date being the date of the issuance of patent No. 621,324 hereinafter mentioned; and that a master was appointed to report profits and damages by reason thereof, but deny that said district court held that respondent Christensen's patent was evidenced solely by letters patent No. 635,280 or that its judgment or decree was solely founded thereon. And respondents further allege that there was duly issued to respondent Christensen letters patent No. 621,324 dated March 21, 1899, and that said respondent in or about September 1899 discovered that said letters patent were erroneous in that they contained

a fugitive sheet of drawing which did not belong therein, and in or about September 16, 1899 said respondent returned said letters patent to the Commissioner of Patents together with a letter and petition in which he refused to accept said letters patent No. 621,324 and requested that the same be cancelled, and that new letters patent be issued to him in conformity with the record of the case in the Patent Office, and that the Commissioner of Patents thereby complied with said request and broke the seal of said letters patent last mentioned and marked or caused the same to be marked cancelled; and that thereby afterwards on or about October 17, 1898 and under that date issued said letters patent No. 635,280, which were in all respects identical with said letters patent No. 621,324 except as to the date and date of expiration thereof and the omission of said fugitive sheet therefrom, and in and by which letters patent last mentioned it was stated and provided that such letters patent were to grant unto the said respondent Christensen, his heirs or assigns for the term of seventeen years from the said 17th day of October, 1899, the exclusive right to make, use, and vend the said invention therein mentioned throughout the United States and the territories thereof, and respondents hereby refer to the opinion of the said District Court and the opinion of this court appearing on pages 333 and 486 of the transcript on said appeal, No. 2163, and to the further opinion of the District Court on the motion to dismiss recently made by petitioner, copy of which is included in the transcript of record herein.

5. Admit the filing of the bill of complaint against the Westinghouse Traction Brake Company as alleged in paragraph 5 of the petition, but deny that respondents or either of them were or are in privy therewith. Further allege that said bill was based on a grant of monopoly or patent contract from the United States to said respondent Christensen, which was evidenced by either or both of the aforesaid letters patent and included also a claim of infringement of patent No. 680,832 to said Christensen on a compressor valve which said last mentioned claim of infringement did not appear in the aforesaid suit, Equity No. 474, in the District Court of the United States for the Eastern District of Wisconsin. Admit that defendant Westinghouse Traction Brake Company answered said bill of complaint, deny that said suit contained or presented the same or similar issues, but allege that it presented other and different issues than were presented in the said suit in the Eastern District of Wisconsin, Equity No. 474, and respondents include in the transcript of record hereon a copy of the answer to said bill of complaint in the said suit in the Western District of Pennsylvania.

6. Deny that said suit in the District Court of the United States for the Western District of Pennsylvania came on for hearing before that court upon pleadings and proofs or that there ever was any trial, hearing, or determination therein, but allege the fact to be that when said suit was reached on the calendar it was dismissed without prejudice on the motion of plaintiffs therein February 24, 1917. Respondents further allege that thereafter, to-wit, on or about the 23rd day of April, 1917, petitioner filed a petition for a writ of

certiorari or mandamus in the United States Circuit Court of Appeals for the Third Circuit, entitled Niels A. Christensen and Allis-Chalmers Manufacturing Company, Plaintiffs, v. Westinghouse Traction Brake Company, Defendant, and that thereafter such proceedings were had and taken therein that by consent of the parties and not otherwise the said Circuit Court of Appeals for the Third Circuit determined on July 3, 1917 that as between said patents numbered respectively 621,324 and 635,280 and in so far as the allegations as to the issuance thereof were contained in the bill and answer in said suit in the Western District of Pennsylvania, both could not be valid evidence of a monopoly grant to respondent Christensen, and that the first of them was valid and the second of them void.

Respondents further show that the mandate of said Court of Appeals for the Third Circuit issued thereon on the 3rd day of July, 1917, directed said District Court of the United States for the Western District of Pennsylvania to enter a decree dismissing the bill of complaint as to said patent No. 635,280 only and left pending before said court for further disposition said bill of complaint and all of the issues as to the validity and infringement of the said grant of patent monopoly to said respondent Christensen, and particularly, as evidenced by said patent No. 621,324, and that on October 1, 1917 pursuant to said mandate of July 3, 1917, a decree as to said patent No. 635,280 was entered by said District Court for the Western District of Pennsylvania.

7. Answering the allegations of paragraph 7 of the petition, respondents allege that on the same date on which the aforesaid decree of October 1, 1917 was entered by said District Court for the Western District of Pennsylvania the said court also entered a decree dismissing the said suit therein as to the patent and monopoly right of respondent Christensen as evidenced by patent No. 621,324 for want of prosecution, and that said decision was not and is not a decision on the merits of the said patent or monopoly right or any part thereof. Respondents further allege that the said order was entered without notice to them and without any hearing, trial, or determination of the merits of respondent Christensen's patent or any part thereof.

Respondents further show that thereafter the said petitioner not being satisfied with the said decree dismissing the said suit in the said United States District Court for the Western District of Pennsylvania, applied for a decree upon the merits of the said monopoly grant and patent to said respondent Christensen as evidenced by patent No. 621,324 and in form obtained the same under date of January 7, 1918, and upon the same coming to the attention of counsel for respondents the same was duly vacated, set aside, and held for naught by said District Court for the Western District of Pennsylvania upon the ground, among others, that said decree was contrary to the facts in that it pretended to adjudicate and determine the merits of the controversy, whereas in truth and in fact there had been no trial, adjudication, or determination thereof, and said decree of January 7, 1918 was set aside and the decree of October 1,

1917 recognized as of full force and effect by decree dated March 11, 1918.

Respondents further show that thereafter the said defendant Westinghouse Traction Brake Company duly filed in the United States Circuit Court of Appeals for the Third Circuit a further and supplemental petition for mandamus and certiorari to review the decree and action last herein referred to; that thereafter such proceedings were had and taken therein that the said United States Circuit Court of Appeals for the Third Circuit under date of June 3, 1918 duly

affirmed the action of said United States District Court for the Western District of Pennsylvania in refusing to enter any decree upon the merits of the said monopoly grant and patent to said respondent Christensen, all of which will more fully and at large appear by the transcript of the proceedings of said courts which is hereby made a part of the record herein.

8. Respondents consent that petitioner may include in the record upon its said petition the motion and proceedings of the District Court of the United States for the Western District of Pennsylvania and the proceedings of the United States Circuit Court of Appeals for the Third Circuit, providing that the same include all of the aforesaid proceedings hereinbefore referred to and set up in this answer directly or by reference.

9. Respondents allege that notwithstanding the doubt which petitioner now claims to have as to the power of the United States District Court for the Eastern District of Wisconsin in said suit, Equity No. 474, it duly moved said court on the 9th day of March 1918, to dismiss the bill of complaint for the same reasons as are now set up in its petition to which this is an answer, and that a hearing was duly had thereon and such proceedings were duly had and taken therein that said United States District Court for the Eastern District of Wisconsin duly denied said petition and motion and filed a written opinion thereon on the 26th day of July, 1918; that an order was duly made and entered therein on the 31st day of July, 1918, denying said motion. That said order has never been modified, set aside, or reversed, and now is in full force and effect, and is a binding and conclusive adjudication as between the parties hereto of the rights of the parties to have the said suit, Equity No. 474, continue, and that the same is res adjudicata as to all the questions therein voluntarily raised by petitioner and submitted to said District Court and duly and finally determined by it. Respondents further allege that in making said motion to dismiss before the United States District Court for the Eastern District of Wisconsin in said suit, Equity No. 474, petitioner voluntarily elected to submit said issue to a competent tribunal and that its action thereon amounts to an election of remedies and estops it from denying the validity of the decision rendered therein and that the same is binding upon it in this proceeding and elsewhere.

Respondents further deny that this court has any power or jurisdiction to entertain the motion and petition of said petitioner or to set aside or modify or disregard the decree of the said District

n Court for the Eastern District of Wisconsin of August 21, 1914, or the mandate and decree of this court of October 5, 1915, and allege that the same and each of them is a valid and subsisting decree and is binding on the parties hereto; and respondents further deny that the adjudication and decree of the United States District Court for the Western District of Pennsylvania of October 1, 1917 or of any other date is an adjudication that respondent Christensen's monopoly grant and patent is void or that it is binding on the parties hereto, or in any wise affects the proceedings in said suit in the Eastern District of Wisconsin, Equity No. 474, or that the rights of respondents are in any wise affected thereby.

10. Respondents admit the allegations in paragraph 10 of the petition.

11. Respondents allege that the validity of patent No. 621,324 has been duly adjudicated and determined by the District Court of the United States for the Eastern District of Wisconsin in said suit, Equity No. 474, and by this court upon the said appeal therefrom, No. 2163, and that petitioner has been found to infringe the same, and that there is a full and sufficient decree under which an accounting for profits and damages against it for the infringement of said patent No. 621,324 can be had and concluded.

Respondents further pray that in so far as this court may find and determine that it is advisable or necessary that the aforesaid decree of the District Court of the United States for the Eastern District of Wisconsin of August 21, 1914, Equity No. 474, and the opinion and mandate of this court on appeal therefrom, No. 2163, should refer to the grant of patent monopoly right in respondent Christensen without reference to any particular patent number, or should refer specifically to said patent No. 621,324, the same be amended and corrected in that respect or respects so as to specifically refer thereto and to the grant of monopoly right in respondent Christensen as evidenced thereby,

12. Respondents further allege that in the said suit, Equity No. 474, proceedings have been going on since the entry of said decree of August 21, 1914, a large amount of testimony has been taken, that the master, Honorable Harry L. Kellogg has made findings and determination of the principal portions of the issues involved between the parties therein, and that respondents are now engaged in taking rebuttal testimony therein, and that the same is not yet completed.

Admit that the bill of complaint in said suit alleges marking under said patent No. 635,280 and further allege that petitioner has made no claim of want of knowledge or notice in said proceedings o prior to the entry of the decree of August 21, 1914, and did not raise the question of want of notice before the District Court of the United States for the Eastern District of Wisconsin or the Master in the accounting proceeding, and that said want of notice, if any there had been, has thereby been waived and abandoned; further allege that there is conclusive proof in the record in said



Equity No. 474 that defendant had due knowledge and notice under the statute of patent No. 621,324 and patent No. 635,280 prior to its infringement thereof, that it wantonly infringed after notice thereof, and also that there was no issue in said suit as to plaintiff's marking of the motor compressors made under said patents No. 621,324 and 635,280 under the said patents, and consequently no necessity of taking proofs thereon.

Respondents further allege that after the entry of said decree of October 1, 1917, petitioner proceeded for a long period of time, to-wit, until the 9th day of March 1918, with the putting in of its testimony before the Master in the said case, Equity No. 474, and that it made no motion therein based on said decree until after it had completed its testimony, and that its proceedings therein and delay in filing its petition herein have been undue and unwarranted and amount to a waiver of any rights that it may have had and a lack of diligence and laches and bar it from raising any question thereon at this time.

13. Respondents respectfully allege that said accounting is lawfully proceeding and that petitioner is estopped from denying the same by the said order and judgment of the District Court of the United States for the Eastern District of Wisconsin entered on July 31, 1918; deny that there is any emergency and alleges that the petition for stay was made by said petitioner which was argued before the Honorable Francis E. Baker, judge of the above entitled court on August 19, 1918, and denied; that thereupon it withdrew its request for a stay.

14. Deny that at and before the entry of the said decree of October 1, 1917, in the suit heretofore pending in the United States District Court for the Western District of Pennsylvania or at any other time all the facts necessary to a final decree upon the merits as to patent No. 621,324 and as to the validity thereof were of record in the allegations of the bill of complaint and the admissions of the answer, or that there was merely left the determination of legal questions arising thereon; deny that prior to the entry of said decree said petitioner presented or argued before said court a motion for judgment in its favor on the merits on said patent No. 621,324 or ever obtained any judgment thereon or ever obtained any judgment on the merits of the said controversy, but allege that no trial, hearing, or determination as to the merits of the said controversy or the validity of said grant and monopoly of respondent Christensen as to patent No. 621,324 was ever had in or any determination made by said District Court of the United States for the Western District of Pennsylvania.

15. Respondents hereby deny each and every allegation in said petition and each and every part thereof not hereinbefore expressly admitted, qualified, or denied.

Wherefore respondents respectfully request that this Honorable Court hold that it has no jurisdiction of the petition of the said petitioner and refuse to take jurisdiction or cognizance thereof, and

that it hold and adjudge that the decree of this court and of the District Court of the United States for the Eastern District of Wisconsin hold the patent and monopoly right of respondent Christensen to be valid and infringed by petitioner, and for an accounting for profits and damages is a final decree and binding upon the parties hereto, and that the proceedings of the District Court of the United States for the Western District of Pennsylvania are not binding on respondents as privies of the Westinghouse Traction Brake Company and are not final and binding adjudications of the merits of the controversy between the parties to the said suit in the United States District Court for the Eastern District of Wisconsin, Equity No. 474, and that if it thinks it necessary or proper it make such order or direction as may be fit and proper amending the aforesaid decree of the United States District Court for the Eastern District of Wisconsin of August 21, 1914, in said suit Equity No. 474, and the opinion and mandate of this court on appeal therefrom No. 2163, so that the same shall refer to the grant of patent monopoly right in respondent Christensen without reference to any particular patent number, or in the alternative shall refer specifically to said patent No. 621,324, and that it make such further order and direction as may be fit and proper, permitting the said United States District Court for the Eastern District of Wisconsin to proceed and determine the accounting proceedings now pending before it in said action, Equity No. 474.

Respectfully submitted,  
 (Signed) LINES, SPOONER & QUARLES,  
*Solicitors for Niels A. Christensen  
 and Allis-Chalmers Company.*

JOSEPH B. COTTON,  
 WILLET M. SPOONER,  
 LOUIS QUARLES,  
*Of Counsel.*

q United States Circuit Court of Appeals for the Seventh Circuit.

No. 2163.

NATIONAL BRAKE & ELECTRIC COMPANY, Petitioner-Appellant,

vs.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS COMPANY,  
 Respondents-Appellees.

*Stipulation.*

It is stipulated and agreed by and between counsel for the respective parties hereto that the record in the matter of the application of National Brake & Electric Company for an order directing the dismissal of the bill of complaint brought against it by said

Niels A. Christensen and Allis-Chalmers Company in the United States District Court for the Eastern District of Wisconsin, in Equity No. 474, and for a stay of proceedings in the District Court until the application is heard and determined shall contain the following:

1. Application of the National Brake & Electric Company to the United States Circuit Court of Appeals for the Seventh Circuit.

2. Order of Circuit Court of Appeals of the Seventh Circuit fixing time for filing answer to application.

3. Answer of the respondents-appellees thereto.

4. Printed record as made up and filed in the United States District Court for the Eastern District of Wisconsin in re defendant's motion to dismiss bill.

5. Second petition of the Westinghouse Traction Brake Company for writ of mandamus or writ of certiorari in the United States Circuit Court of Appeals for the Third Circuit, No. 2248.

6. Supplemental transcript of record filed in the United States Circuit Court of Appeals for the Third Circuit, No. 2248, in support of said second petition excepting the opinion, order reversing decree, mandate, clerk's certificate and decree printed on pages 85 to 102 inclusive of said supplemental transcript of record.

7. Respondents' objections and answer to the said second petition for writ of mandamus or certiorari filed in the United States Circuit Court of Appeals for the Third Circuit.

8. Opinion of the United States Circuit Court of Appeals for the Third Circuit in re said second petition for a writ of mandamus or writ of certiorari.

9. Order of the United States Circuit Court of Appeals for the Third Circuit on the second petition refusing writ of mandamus or writ of certiorari.

10. Opinion of the United States District Court for the Eastern District of Wisconsin in Equity No. 474 by Judge Geiger on defendants' motion to dismiss the bill.

11. Order entered by Judge Geiger on said motion to dismiss the bill filed July 31, 1918.

12. A copy of this stipulation.

CHARLES A. BROWN,

*Of Counsel for Petitioner-Appellant.*

LOUIS QUARLES,

*Of Counsel for Respondents-Appellees.*

Chicago, September 23, 1918.

## United States Circuit Court of Appeals for the Seventh Circuit.

I, Edward M. Holloway, Clerk of the United States Circuit Court of Appeals for the Seventh Circuit, do hereby certify that the foregoing printed pages, numbered from one to seventeen, inclusive, contain a true copy of the "Pleadings in the Matter of the Application of National Brake & Electric Company for an Order directing the dismissal of the Bill of Complaint brought against it in the United States District Court for the Eastern District of Wisconsin, In Equity, No. 474, and for a Stay of Proceedings in the District Court until Application is Heard and Determined," filed October 1st, 1918, in the case of National Brake & Electric Company, Petitioner, vs. Niels A. Christensen and Allis-Chalmers Company, Respondents, No. 2163, October Term, 1917, as the same remains upon the files and records of the United States Circuit Court of Appeals, for the Seventh Circuit.

In testimony whereof I hereunto subscribe my name and affix the seal of said United States Circuit Court of Appeals for the Seventh Circuit, at the City of Chicago, this seventh day of May, A. D. 1919.

EDWARD M. HOLLOWAY.

[SEAL.]

*Clerk of the United States Circuit Court  
of Appeals for the Seventh Circuit.*

*t* United States District Court, Eastern District of  
Wisconsin.

In Equity. No. 474.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS COMPANY,  
Plaintiffs,

VS.

NATIONAL BRAKE & ELECTRIC COMPANY, Defendants.

*Record on Defendant's Motion to Dismiss Bill.*

*u* United States District Court, Eastern District of  
Wisconsin.

In Equity. No. 474.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS COMPANY,  
Plaintiffs,

VS.

NATIONAL BRAKE & ELECTRIC COMPANY, Defendant.

*Record on Defendant's Motion to Dismiss Bill.*

*v* United States District Court, Eastern District of Wisconsin.

In Equity. No. 474.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS COMPANY,  
Plaintiffs,

VS.

NATIONAL BRAKE & ELECTRIC COMPANY, Defendant.

*Notice.*

William R. Rummel, Esq., Solicitor for Plaintiffs, Tribune Building,  
Chicago, Illinois.

SIR:

Please take notice that on Saturday, March 16th, 1918, at the meeting of the court, or as soon thereafter as counsel can be heard, we shall move to dismiss the bill of complaint for the reasons set forth in the motion to that effect, copy of which, together with the



copy of the documents set forth therein and accompanying the same, we hand you herewith.

BROWN, HANSON & BOETTCHER,  
*Solicitors for Defendant.*

Chicago, Illinois, March 9, 1918.

Service of the above notice and of the motion and accompanying documents is hereby admitted, by receipt of copies thereof, this 9th day of March, 1918, at 3:15 p. m.

WM. R. RUMMLER,  
*Solicitor for Plaintiffs,*  
By E. P.

United States District Court, Eastern District of Wisconsin.

In Equity. No. 474.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS COMPANY,  
Complainants,

VS.

NATIONAL BRAKE & ELECTRIC COMPANY, Defendant.

*Defendant's Motion to Dismiss Bill.*

The defendant, the National Brake & Electric Company, by its counsel, hereby moves the court to dismiss the bill of complaint in this case at the cost of the plaintiffs upon the ground that all of the issues in the case have been fully and finally determined and adjudicated in defendant's favor by the Circuit Court of Appeals for the Third Circuit and by the final decree of the District Court for the Western District of Pennsylvania, in the suit between the plaintiffs and the Westinghouse Traction Brake Company, with which this defendant was in privity.

In support of this motion defendant has filed herewith certified copies of (1) petition of the Westinghouse Traction Brake Company to the United States Circuit Court of Appeals for the Third Circuit for a writ of certiorari in the case of these plaintiffs against the Westinghouse Traction Brake Company in the District Court for the Western District of Pennsylvania, (2) the transcript of record from the District Court for the Western District of Pennsylvania showing the proceedings of the District Court, (3) opinion, (4) order and (5) mandate of the Court of Appeals, (6) the decree of the District Court dismissing the bill as to patent No. 635,280, and (7) the docket entries in the case.

Also in support of the motion defendant will refer to the testimony offered by plaintiffs before the Master in the accounting proceedings in this case as to the privity between the defendants and

the Westinghouse Traction Brake Company, the defendant in the Pittsburgh case.

BROWN, HANSON & BOETTCHER,  
*Solicitors for Defendant.*

March 9, 1917.

1 United States District Court, Eastern District of Wisconsin.

In Equity. No. 474.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS COMPANY, Plaintiffs

vs.

NATIONAL BRAKE & ELECTRIC COMPANY, Defendant.

*Amended Bill of Complaint.*

To the Honorable the Judges of the United States District Court for the Eastern District of Wisconsin:

First. Niels A. Christensen, a citizen of the United States and of the state of Wisconsin and a resident of the city of Milwaukee in the county of Milwaukee and state of Wisconsin, and the Allis-Chalmers Company, a corporation duly created and existing under the laws of, and a citizen of, the state of New Jersey and having its general office in said city of Milwaukee, bring this, their amended bill of complaint against the National Brake & Electric Company a corporation duly created and existing under the laws of, and a citizen of, the state of Wisconsin and having its general office in, and being a resident of, said city of Milwaukee and the Eastern Judicial District of Wisconsin.

And for their cause of action, the plaintiffs allege and state as follows:

Second. That heretofore on or about the 30th day of December 1896, the plaintiff Niels A. Christensen, a resident of said city of Milwaukee, being then and there the true, original and first inventor or discoverer of a certain new and useful improvement in combined pumps and motors not known or used by others in this country before his invention or discovery thereof, and not patented or described in any printed publication in this or any foreign country before his invention or discovery thereof, or more than two years prior to his hereinafter mentioned application for patent therefor and not in public use or on sale in this country for more than two years prior to his said application, and not having been abandoned by him, and no application for a foreign patent for said invention or discovery having been filed more than twelve months prior to the

2 filing of the said application in this country, duly made application to the Commissioner of Patents of the United States for the exclusive grant and monopoly for a term of seventeen years for and of said invention of a certain new and useful improvement

in combined pumps and motors, under and agreeably to the Acts of Congress and, as evidence of said grant and monopoly requested Letters Patent of the United States, all in accordance with the then existing laws of Congress; and having fully complied in all respects with the requirements of said laws, thereupon and on the 21st day of March, A. D. 1899, the said application of the plaintiff Niels A. Christensen was duly granted by the Patent Office of the United States and a contract was thereby entered into and fully consummated between the plaintiff, Niels A. Christensen, and the United States covering and embracing said exclusive grant and monopoly for the full term of seventeen years from and after said 21st day of March A. D. 1899; that said contract was secured to said Christensen the exclusive right to make, vend and use his said invention for said term of seventeen years from March 21, 1899.

That to evidence said contract between the United States and the plaintiff Christensen, Letters Patent of the United States, No. 621,324, dated March 21, A. D. 1899, and signed, sealed and executed in due form of law for the said invention, were issued to the plaintiff Christensen, and which said Letters Patent were then and there intended to evidence the said exclusive grant and monopoly and the full and exclusive right of the plaintiff Christensen and his heirs and assigns to make, use and sell under said contract the said invention throughout the United States and the territories thereof for the full term of seventeen years from and after March 21, 1899, as will more fully appear by the said Letters Patent, or a copy thereof duly certified from the records of the Patent Office, and in this Court to be produced.

Third. That on or about September 16, 1899, the plaintiff Christensen discovered that the said Letters Patent No. 621,324 evidencing his said contract with the United States as to said new and useful improvement or invention in combined pumps and motors contained a discrepancy and was inaccurate in the particulars hereinafter stated, and being advised that the same might be construed to be in some particular or particulars defective, refused to accept said Letters Patent as proper evidence of said exclusive grant and returned the same to the Commissioner of Patents, and, with said refusal

to accept and the return of said Letters Patent, the plaintiff Christensen petitioned said Commissioner of Patents, representing that he was the person to whom said Letters Patent No. 621,324 for combined pump and motor were issued on March 21, 1899, upon application serial No. 617,464 filed December 30, 1896; that in response to an action by the Patent Office, dated June 7, 1898, requiring division of said application on the ground that it contained two separate and independent inventions, two amendments, dated July 1, 1898, were filed July 18, 1898, wherein and whereby sheet 2, containing figures 3 and 4 of the drawing, was eliminated and the description of said figures and of the subject matter therein shown was cancelled; that upon such amendments, said application was allowed on August 24, 1898; that said patent issued thereon as aforesaid did not conform with the record in the Patent Office in that it contained the second sheet of drawings with figures 3 and 4

which was eliminated by one of the aforesaid amendments and that said figures 3 and 4 and the subject matter therein shown are not described in the specifications of said letters patent, the description thereof having been stricken out in conformity with the other amendment above mentioned; and requesting that, for the reason aforesaid, said Letters Patent No. 621,324 be cancelled and that new Letters Patent be issued to him in conformity with the record of the case in the Patent Office; that said figures 3 and 4 shown on said sheet 2 of drawings then and there belonged to an application for a patent then pending in said Patent Office, being Serial No. 686,266 and upon which Letters Patent to the plaintiff Christensen thereafter issued No. 680,842 dated August 20, 1901; that said return of Letters Patent No. 621,324 was made for the sole and only purpose of securing a correction therein by having said sheet 2 eliminated from the drawings attached thereto; that in making said petition and returning said Letters Patent, the Plaintiff Christensen did not intend or undertake to, and did not in any way, surrender his said contract with the United States or his said exclusive grant and monopoly to make, use and vend his said invention or in any other way abate, limit, restrict or waive any of the rights, privileges and estate which he had and possessed, or which he was entitled to have and possess, under his said contract, grant and monopoly; that thereafter and on the 17th day of October, 1899, such proceedings were had in the United States Patent Office and by the Commissioner of

4 Patents of the United States that the request of the petition of the plaintiff Christensen was granted and said Commissioner of Patents then and there undertook or pretended to cancel said Letters Patent No. 621,324 evidencing said contract, exclusive grant and monopoly and to issue in lieu thereof to the plaintiff Christensen, Letters Patent of the United States, No. 635,280 bearing date October 17, 1899, evidencing said contract, grant and monopoly and purporting to grant to the plaintiff Christensen and to his heirs and assigns, for a term of seventeen years from and after the date thereof, to wit: the 17th day of October, 1899, the full and exclusive right of making, using and selling his said invention throughout the United States and the territories thereof, as will more fully appear by the said Letters Patent or a copy of the same duly certified from the records of the Patent Office and in this Court to be produced.

That said Letters Patent No. 635,280 were received by the plaintiff Christensen on or about October 17, 1899, and are identically the same as the said Letters Patent No. 621,324 save and except only that in said last numbered patent, the said sheet 2, being figures 3 and 4 was eliminated and said last numbered patent purported to be for a term of seventeen years from and after its date of issuance, to wit the 17th day of October, A. D. 1899, instead of for a term of seventeen years from and after the date of the first numbered Letters Patent, to wit, the 21st day of March, A. D. 1899.

Fourth. The plaintiffs further allege and state that said exclusive grant and monopoly to the plaintiff Christensen for said new and useful improvement in combined pumps and motors, was for a

period of seventeen years only from and after March 21, 1899; that ever since the acceptance of the plaintiff Christensen's said application and its allowance by the Patent Office of the United States, said contract hereinbefore described has been and is now valid and in full force and effect, irrespective of whether said contract was or is evidenced by said Letters Patent No. 621,324 or said Letters Patent 635,280; that the plaintiffs hereby expressly disclaim, waive and relinquish for purposes of this suit any and all claims to any grant and to any and all damages on account of infringement or otherwise from and after the expiration of seventeen years from and after said March 21, 1899, regardless of whether said Letters Patent No. 635,280 shall be held by the Courts to be valid or otherwise.

5 Fifth. And plaintiffs further allege and state that the mistake in said Letters Patent No. 621,324 evidencing said grant and monopoly to the plaintiff Christensen was the mistake solely of the Patent Office of the United States and arose in no way through the act or fault of the plaintiffs or either of them, and that neither of the plaintiffs is in any way responsible for or chargeable with any error which may have been committed, or which the Court may find to have been committed, by said Patent Office in attempting and assuming to cancel said first numbered patent, in making said correction and in attempting and assuming to issue and in issuing the second numbered patent for the term therein mentioned; that if it should be determined by the Court that said last numbered patent is invalid for the reason that the same was issued for a longer time than the term to which the plaintiff Christensen is entitled to have his said exclusive grant and monopoly, then, and in such case, the attempted action of the said Commissioner of Patents and of the Patent Office of the United States in attempting and assuming to cancel said patent No. 621,324 was and is wholly void and of no force and effect and that said first numbered patent therefore is now, and at all times since its issuance, has been, valid and in full force and effect, and that the said return thereof by the plaintiff Christensen for correction as aforesaid did not constitute a surrender or abandonment of his said invention or of his said exclusive grant and monopoly or of any of his rights, interests and estates therein or thereby created; and that the plaintiff Christensen in such case (unless the court shall find and adjudge said last numbered patent is valid for a term ending March 21, 1916) is entitled to a return of said first numbered patent and to judgment and decree of the court that, with or without such return, said first numbered patent is now, and ever since its said issuance has been, in all respects valid and in full force and effect.

Sixth. Plaintiffs further allege and state that on or about the 7th day of May, A. D. 1906, the plaintiff Christensen, for a valuable consideration, entered into a written contract with said plaintiff the Allis-Chalmers Company wherein and whereby the said Christensen gave an exclusive license, for a royalty therein mentioned and provided, to said Allis Chalmers Company to make and use and sell to others, to be used, the combined pumps and motors

described in said contract and Letters Patent, and each of them,  
and commonly known as the "Christensen Motor Compressor," in all the states of the United States and the territories  
6 thereof; that the plaintiff Christensen has ever since been, and still continues to be, the owner of said contract, exclusive grant and monopoly, and of said Letters Patent and each of them, and of all rights therein, except the license granted to said Allis-Chalmers Company; that the plaintiffs are entitled to an injunction against the wrongs and injuries committed by the defendant hereinafter mentioned and to all profits realized by the defendant from the infringing acts and to all damages arising from said infringing acts of the defendant hereinafter mentioned.

Plaintiffs further allege that by virtue of the premises, the plaintiff Christensen became, ever since has been, and now is, the sole and exclusive owner of said exclusive grant and monopoly of said Letters Patent, and of the invention and improvement described in his said contract with the United States of America and all of the rights and privileges granted and secured, or intended to be granted and secured thereby, excepting only said license to the Allis-Chalmers Company; that since the plaintiff Christensen became the owner thereof as aforesaid, both he and the Allis-Chalmers Company have invested and expended large sums of money and have been to great trouble in and about said invention, and for the purpose of carrying on the business of manufacturing and selling Christensen Motor Compressors and machines containing the said invention, and making the same profitable to themselves and useful to the public; that said invention has ever been, and is, of great benefit, utility and advantage to the public; that a large number of such machines were made by the plaintiff Christensen and his former licensee, the National Electric Company and the predecessor of the defendant company herein, and sold by said Christensen and said predecessor of the defendant to great advantage to the public; that the public, ever since said exclusive grant to the plaintiff Christensen, has had due notice that said motor compressors, articles and apparatus are made under said grant or monopoly and have been and are patented and have been and are marked by fixing thereon the word "Patented," together with the day and year of the issuance of said last numbered patent; that the public has known, widely recognized and acquiesced in the validity of said exclusive grant and monopoly to said Christensen, in the Utility and advantages of said improvement and in the aforesaid exclusive title and rights of the plaintiffs and each of them thereto and therein;  
and the plaintiffs allege, on information and belief; that the  
7 defendant has received and is now receiving large gains, advantages and profits therefrom, but to what extent, and how much exactly, the plaintiffs do not know and pray a discovery thereof.

Seventh. Plaintiffs further allege and state that the defendant has well known all the facts hereinbefore set forth, but nevertheless contriving to injure the plaintiffs and each of them, and to deprive



them of the profits, benefits and advantages which might and otherwise would have accrued to the plaintiffs from the said exclusive grant and monopoly, whether evidenced by said Letters Patent or either of them, or otherwise, the defendant after October 17, 1899, and within six years prior to the institution of this suit, without the license of the plaintiffs or either of them, and against the plaintiffs' will and the will of each of them, and in violation of the rights and estate of each of them in and to said grant and monopoly, unlawfully and wrongfully made, used and sold, ever since has continued, and still continues unlawfully and wrongfully to make, use and sell, devices or apparatus in large quantities and on an extensive scale which embody the invention or discovery claimed in and covered by the plaintiff Christensen's said exclusive grant, monopoly and contract, the exclusive right to make, use and sell which is by law vested in the plaintiffs as aforesaid; that the defendant intends and is threatening to continue to make said infringing devices and apparatus which embody the said invention or discovery of the plaintiff Christensen, in large quantities, and is fully prepared so to do, and to supply the market therewith, and to sell and vend the same; that the defendant has, ever since the commencement of this said action, as well as prior thereto, refused, and still refuses, to pay to the plaintiffs, or either of them, any of the profits which have been made, or which may be made, by such unlawful and wrongful manufacture, use and sale, or to desist from the further infringement of said exclusive grant and monopoly to the plaintiff Christensen, all of which acts are in violation and in defiance of the rights acquired by and secured to the plaintiffs as aforesaid, and to their great and irreparable loss and injury and by which they have been and still are being, deprived of great gains and profits which they might and otherwise would have obtained, and which have been received and enjoyed, and are still being received and enjoyed, by the defendant by and through its aforesaid unlawful and wrongful acts and doings.

8 Eighth. Plaintiffs further allege and state that the use of said invention by the defendant and its preparation for continuing and avowed determination to continue the same and its other aforesaid unlawful and wrongful acts in disregard and defiance of the rights of the plaintiffs have the effect to and do encourage or induce others to infringe or attempt to infringe said exclusive grant and monopoly to said Christensen in disregard of the plaintiffs' said rights.

Ninth. Plaintiffs further allege and state that, prior to the institution of this action, they caused due notice to be given to the defendant of said infringements and of the rights of the plaintiffs in the premises and requested it, said defendant to desist and refrain therefrom, but the defendant has ever since disregarded said notice and refused to desist from said infringements, and, with full knowledge, but in defiance of the plaintiffs' said rights, still continues to make and sell said patented machines and to infringe the said in-

vention and exclusive grant and contract of the plaintiff Christensen.

Tenth. And plaintiffs further allege and state that they have no adequate remedy at law.

Wherefore, the plaintiffs pray :

(1.) That said exclusive grant and monopoly to said Christensen and contract between the United States and said Christensen for said new and useful improvement in combined pumps and motors for the term of 17 years from and after March 21, 1899, be by the Court in all respects adjudged to be valid and in full force and effect; and that the title and respective rights of the plaintiffs therein and thereto be adjudged by the Court to be as hereinbefore alleged in this amended bill of complaint.

(2.) That said Letters Patent No. 635,280 be held by the Court to be evidence of said grant, monopoly and contract for said term of 17 years from and after March 21, 1899, and be limited expressly to that time in accordance with the waiver hereinbefore made and pleaded and irrespective of any language to the contrary in said Letters Patent contained, and that said Letters Patent, when so restricted, be in all respects held to be valid and in full force and effect.

(3.) That if the court shall adjudge said Letters Patent No. 635,280 not to be capable of being restricted or limited to the extent and in the particular specified in the preceding subdivision hereof, and to be null and void ab initio, then, and in such event, the Court  
 9      adjudge and decree that the Acts of the Commissioner of Patents and of the Patent Office of the United States in attempting to cancel said Letters Patent No. 621,324 were and are wholly ineffective and null and void ab initio and that said Letters Patent No. 621,324 are now, and ever since their said issuance on March 21, 1899, have been, in all respects valid and in full force and effect and evidence of the said existing exclusive grant to said Christensen and contract between the United States and the plaintiff Christensen; and the judgment and decree of this court be entered herein that the plaintiff Christensen is entitled to have said Letters Patent No. 621,324 dated March 21 1899 forthwith returned by said Patent Office to said Christensen, and that, with or without such return, said judgment and decree of the Court shall stand and operate in all respects in lieu thereof.

(4.) That a writ or writs of subpoena ad respondendum may issue, directed to the said defendant, National Brake & Electric Company commanding it to appear and answer unto this amended bill of complaint on a day certain therein to be named, and to obey and perform such order and decree in the premises as to the Court may seem meet and may be required by the principles of equity and good conscience.

(5.) That the defendant may be decreed to account for and pay to the plaintiffs the profit or income unlawfully and wrongfully derived from the violation of the plaintiffs' said rights, and, that upon entering the decree against the defendant for infringement, the Court may proceed to assess or cause to be assessed under its direction, in addition to the unlawful profits or income to be accounted for by the defendant as aforesaid, the damages plaintiffs have sustained by reason of such infringement and that the Court may increase the actual damages so assessed to a sum equal to three times the amount of such assessment, under the circumstances of the unlawful and unjust infringement by the defendant as hereinbefore set forth.

(6.) That a writ of injunction may be issued from and under the seal of the Court, perpetually restraining the defendant, its clerks, attorneys, servants, agents, workmen and officers, and each and every of them, from any further manufacture, use or sale in any manner of said patented improvements or either of them or any part thereof, in violation of said plaintiffs' rights, and that the infringed devices or apparatus in the possession or use of the defendant may be decreed to be destroyed or delivered to the plaintiffs for that purpose.

10 (7.) That a provisional or preliminary injunction may be issued restraining the defendant, its clerks, attorneys, servants, agents, workmen and officers, and each and every of them, from any further manufacture, use or sale in any manner of said patented improvements or either of them or any part thereof, pending this cause.

(8.) That the plaintiffs have and recover of the defendant their costs and disbursements herein, and that such other and further relief may be granted and decreed to the plaintiffs as the equity of the case may require and to the Court may seem meet.

Dated Milwaukee, Wisconsin, November 10th, 1913.

NIELS A. CHRISTENSEN,

*Plaintiff.*

LINES, SPOONER, ELLIS & QUARLES,

*Solicitors for said Plaintiffs, Pabst Building,*

*Milwaukee, Wisconsin.*

JOSEPH B. COTTON,  
WILLET M. SPOONER,  
WM. R. RUMMLER,  
*Of Counsel.*

COUNTY OF MILWAUKEE,  
*State of Wisconsin, ss:*

Niels A. Christensen, of said County being first duly sworn, says that he is one of the plaintiffs in the above entitled cause; that he makes this verification on behalf of himself and on behalf of his co-plaintiff, the Allis-Chalmers Company, the corporation described

in the foregoing amended bill of complaint; that he has read said amended bill of complaint and knows the contents thereof and that the same is true of his own knowledge except as to the matters therein stated to be alleged upon information and belief, and as to those matters he believes it to be true.

Furthermore, that he verily believes himself, the said Niels A. Christensen in the said amended bill named, to be the original and first inventor of the said invention described and patented in the exclusive grant and monopoly to him, dated March 21, 1899, and granted upon his said application to the United States, as  
11 alleged in said amended bill of complaint.

NIELS A. CHRISTENSEN.

Subscribed and sworn to before me, a Notary Public, in and for said county and state this 10th day of November, A. D. 1913.

G. S. SALENTINE,

*Notary Public, Milwaukee County, Wisconsin.*

[NOTARIAL SEAL.]

My commission expires June 28, 1916.

*Answer of Defendant. Filed March 1, 1907.*

United States Circuit Court, Eastern District of Wisconsin.

In Equity. No. 474.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS COMPANY, Complainants,

vs.

NATIONAL BRAKE AND ELECTRIC COMPANY, Defendant.

*Answer.*

The Answer of National Brake & Electric Company, Defendant, to the Bill of Complaint of Niels A. Christensen and Allis-Chalmers Company, Complainants.

This Defendant, now and at all times hereafter, saving and reserving to itself all and all manner of benefit or advantage of exception or otherwise which can or may be had or taken to the manifold errors, uncertainties, and insufficiencies of said Bill of Complaint, for answer to said Bill, or to so much and such parts thereof as it is advised it is material or necessary for it to make answer unto, answering, says:

I. This Defendant is informed and believes, and thereupon admits that Letters Patent of the United States No. 635,280 were

issued on the 17th day of October, A. D. 1899, to Niels A. Christensen, one of the Complainants, for an alleged improvement in combined pump and motor, but, upon information and belief, 11a this Defendant denies that the said Niels A. Christensen was the inventor, or the true, original, sole and first inventor of the alleged improvement therein claimed; denies that said alleged improvement was not known or used by others in this country before his alleged invention or discovery thereof and was not patented or described in any printed publication in this or any foreign country before his said alleged invention or discovery thereof, for more than two years prior to his application or at any time prior to his application or the issuance of his Patents therefor; denies that said alleged improvement was not in public use or on sale in this country for more than two years prior to his application and had not been abandoned by him; denies that said Niels A. Christensen complied in all respects with the then existing laws of Congress; and denies that by the said Letters Patent the full and exclusive right of making, using and selling the said alleged invention was granted to the said Niels A. Christensen and to his heirs and assigns.

II. This Defendant further answering says that, save by the averments in said Bill of Complaint contained, it is not advised as to the making or existence of the alleged written contract with the said Allis-Chalmers Company, or that said Allis-Chalmers Company is entitled to profits and damages arising from alleged wrongful acts of this Defendant, and it therefore denies said averments and leaves the Complainants to make proof thereof as they may be advised is material or necessary.

III. This Defendant further answering denies that the alleged patented improvements have been extensively applied to practical use under said Patent and are of great utility and benefit to the public; it denies that the public have had notice that articles or apparatus made and sold under said Patent are patented; and denies that the public have widely recognized and acquiesced in the validity of the said Patent, the utility of said alleged improvement, and the alleged exclusive title of the Complainants thereto.

IV. This Defendant further answering, on information and belief, avers that the alleged improvement described as new in said Letters Patent and attempted to be patented thereby, did not, at the time of the supposed invention thereof by the said Niels A. Christensen, exhibit or embody any substantial variation or change from what had theretofore belonged to the state of the art, and did not 11b then involve the exercise of the inventive faculty or constitute subject matter which was patentable or lawfully the subject matter of Letters Patent of the United States; wherefore this Defendant avers that said Letters Patent No. 635,280 were and are null and void.

V. This defendant further answering, on information, advice, and belief, avers that prior to the issue of the said Letters Patent

No. 635,280 to the said Niels A. Christensen, to wit: prior to October 17, 1899, other Letters Patent Setting forth and claiming the same alleged invention were issued to said Christensen, said Letters Patent being numbered 621,324, dated March 21, 1899, and entitled improvement in combined Pump and motor; that said Christensen, alleging that said Letters Patent No. 621,324 were erroneous or not in proper form by reason of inadvertence or mistake on the part of the Patent Office, returned said Letters Patent to the Patent Office; that subsequently said Letters Patent No. 621,324 were ordered to be cancelled by the Commissioner of Patents and the Letters Patent No. 635,280, recited in the Bill of Complaint, were, on October 17, 1899, issued to said Christensen in lieu of and in substitution for said prior Letters Patent No. 621,324. And this Defendant avers that the action of the Commissioner of Patents in ordering the cancellation of said prior Letters Patent No. 621,324 and the issue of Letters Patent No. 635,280 to said Christensen in lieu thereof, was ultra vires and without warrant or authority in law, not being made in accordance with any Statute providing for the correction of error, inadvertence or mistake; therefore this Defendant avers that said Letters Patent No. 635,280 were and are null and void ab initio.

VI. And this Defendant further answering, and not waiving any, but still insisting upon all and singular the matters and things hereinbefore set forth, further says, upon information, advice, and belief:

That the said Niels A. Christensen was not the inventor, nor the true, original, sole and first inventor of the thing patented in said Letters Patent No. 635,280, nor of any material or substantial part thereof claimed therein as new, but that prior to the supposed invention or discovery thereof by said Niels A. Christensen, the said thing so patented, or a material and substantial part thereof claimed therein as new, was, or material and substantial parts thereof claimed therein as new, were patented or described in the following Letters Patent, to wit:

- 11c Letters Patent of the United States as follows, to wit:
- No. 13816, to D. W. Clark, dated November 20, 1855.
  - No. 209,673, to J. M. Grillenberger, dated November 5, 1878.
  - No. 247,691, to F. M. Roots, dated September 27, 1881.
  - No. 274,476, to I. N. Forbes, dated March 27, 1883.
  - No. 280,222, to L. H. Nash, dated June 26, 1883.
  - No. 313,008, to M. N. Lynn, dated February 24, 1885.
  - No. 328,626, to R. Welford, dated October 20, 1885.
  - No. 366,370, to A. Bonna, dated July 12, 1887.
  - No. 368,762, to F. A. Gardner, dated August 23, 1887.
  - No. 395,722, to J. Thorne, dated January 8, 1889.
  - No. 439,792, to I. E. Storey, dated November 4, 1890.
  - No. 443,020 to R. G. Ward, dated December 16, 1890.
  - No. 451,881, to E. Ruud, dated May 5, 1891.
  - No. 534,192, to J. F. Blake, dated February 12, 1895.
- Letters Patent of Great Britain, No. 1124 of 1881, to Burrell and Burall.
- Letters Patent of France No. 148,004, March 20, 1882, to Megy.

Letters Patent of Germany No. 60753, March 12, 1891, to Reinmann, Dittmar, and Faulkenhausen.

Also in a printed publication entitled "Electrical Engineer" published at the City of New York, in the issue of May 6, 1906, Vol. 21, p. 475, of said printed publication.

Also that prior to the supposed invention or discovery of said Niels A. Christensen, the said thing so patented, or a material and substantial part thereof claimed in said Letters Patent No. 635,280 as new, or material and substantial parts thereof claimed therein as new, had been known to and used by others in the United States, to wit: Henry P. Merriam and E. J. Wessels, both residing in the City of New York in the State of New York, and O. A. Sandborg, residing at East Pittsburgh, Pennsylvania, at said City of New York.

Also patented or described and represented in other Letters Patent, the number and dates of which, and the names of the persons to whom granted, are not now known to this Defendant, but which it craves leave to add by way of amendment of this Answer if it shall become necessary for it to do so.

Wherefore this defendant avers that said Letters Patent No. 635,280 were and are null and void.

VII. This Defendant further answering denies that it has made, used or sold, or now continues or intends and threatens to make, use, and sell, devices or apparatus which embody the alleged invention or discovery claimed in said Letters Patent No. 635,280, and it denies that it has done any act or thing in violation of any right recited in the Complainants by virtue of said Letters Patent, or which is contrary to equity and good conscience or tends to the injury of the Complainants in the premises.

VIII. This Defendant further answering submits to this Honorable Court that the Complainants have no right to any other or further answer to their said Bill of Complaint than is herein contained, and no right to any injunction, decree, or other relief prayed for in said Bill.

IX. This Defendant prays the same benefit of the facts and things herein set forth, as if, for the reason thereof, it had demurred to the said Bill of Complaint where a demurrer would have been proper, and the same benefit thereof as if it had specially pleaded to said Bill.

X. Without this that any other matter, cause, or thing in said Complainants' said Bill of Complaint contained, material or necessary to be answered by this Defendant, and not herein and hereby well and sufficiently answered, confessed, traversed and avoided, or denied, is true to the knowledge or in the belief of this Defendant; all which matters and things this Defendant is ready and willing to aver, maintain and prove, as this Honorable Court shall direct, and it



humbly prays to be hence dismissed, with its reasonable costs and charges, in this behalf most wrongfully sustained.

NATIONAL BRAKE & ELECTRIC COMPANY,  
By R. P. TELL,  
*Vice-President.*

MILLER, MACK & FAIRCHILD,  
*Solicitors for Defendant.*

CHARLES A. BROWN,  
THOMAS W. BAKEWELL,  
J. SNOWDEN BELL,  
*Of Counsel for Defendant.*

11c Feb. 10, 1914.—Order allowing answer to stand as answer to amended bill, filed as follows:

United States District Court, Eastern District of Wisconsin.

In Equity. No. 474.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS COMPANY,  
Complainants,

VS.

NATIONAL BRAKE AND ELECTRIC COMPANY, Defendant.

And now, to wit, February 10th, 1914, on motion of Arthur W. Fairchild, of counsel for Defendant, it is hereby ordered that the Answer filed to the original Bill of Complaint herein and Patent No. 635,280 upon which said original Bill was based, shall stand as an Answer to the amended Bill of Complaint, filed on or about November 12, 1913, and to Patent No. 621,324, dated March 21, 1899, set forth in said amended Bill of Complaint, as to all defenses relating to the novelty, patentability, validity, and infringement of said Patent No. 621,324 and have the same force and effect as if said defenses stated in the Answer to said original Bill had been specifically set up in regard to said Patent No. 621,324; and that the evidence offered by the Defendant in support of its Answer to the original Bill, and filed in this Court shall stand and have the same force and effect as against said Patent No. 621,324, as if originally taken with reference to said Patent.

Enter.

F. A. GEIGER,  
*Judge.*

11/ United States Circuit Court, Eastern District of Wisconsin.

In Equity. No. 474.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS COMPANY,  
Complainants,

VS.

NATIONAL BRAKE AND ELECTRIC COMPANY, Defendant.

It is hereby mutually stipulated and agreed by the parties to the action above entitled, acting by their respective attorneys duly authorized thereunto, that the combined pumps and motors or devices such as are represented in and by the blue print marked with shop mark L-4725 produced in evidence in this action and marked Complainants' Exhibit "A" and being the blue print referred to in a certain stipulation between the parties to the above entitled action and found on page eight (8) of Complainants' printed record, were made and sold within the Eastern Judicial District of Wisconsin, and elsewhere in the United States, after the 1st day of December, 1906, and prior to the institution of the above entitled action, without the license or consent, express or implied, of the complainants or either of them.

It is further stipulated and agreed that defendant herein had due notice as early as May, 1906, of the issuance of Letters Patent No. 635,280 dated October 17, 1899.

It is further hereby stipulated and agreed that all and every the matters and things stated herein shall be taken as uncontroverted and established facts herein and treated as such by both parties hereto and by the court at each and every stage of this cause and shall be treated in all respects as part of the evidence and record herein.

Dated at Milwaukee, Wisconsin, this 18th day of December, 1913,

NIELS A. CHRISTENSEN,

*Complainant,*

By LINES, SPOONER, ELLIS & QUARLES,

*His Solicitors,*

ALLIS-CHALMERS COMPANY,

*Complainant,*

By LINES, SPOONER, ELLIS & QUARLES,

*Its Solicitors,*

NATIONAL BRAKE & ELECTRIC COMPANY,

*Def't.*

By MILLER, MACK & FAIRCHILD,

*Its Solicitors.*

11g *Opinion of the Court. Filed Aug. 1, 1914.*

District Court of the United States, Eastern District of Wisconsin.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS COMPANY,  
Complainants,

VS.

NATIONAL BRAKE & ELECTRIC CO., Defendant.

GEIGER, District Judge:

Suit for infringement. Letters Patent No. 621,324, covering improvement in a combined pump and motor, were issued March 21, 1899, to complainant, Christensen. His application had been filed (See No. 617,464) December 30, 1896. Drawings, consisting of one sheet containing figures 1 & 2, one sheet containing figures 3 & 4, were included in his application for and description of, his invention. The Patent Office having concluded, June 7, 1898, that the application embodied two inventions, separate and independent, directed division of the application, which was done by amendment, July 18, 1898. Pursuant thereto, sheet No. 2, containing figures 3 & 4 was eliminated and the application changed conformably. Thereupon, August 23, 1898, the application was allowed and patent above noted subsequently issued. But upon issuance of the patent, sheet No. 2, notwithstanding its elimination as stated, was fastened to, and sent to the patentee as a part of and with, the letters patent. Complainant then, through his counsel (Sept. 16, 1899) returned the letters received as just stated, to the Commissioner of Patents, with a letter, in form of a petition, reciting the facts above, refusing "to accept and return said Letters Patent, and requests that the same be cancelled, and that new Letters Patent be issued to him in conformity with the record of the case in the Patent Office."

The Commissioner, after investigation, made an order (Sept. 29, 1899) which, after reciting the facts, directed "that the seal of said Letters Patent be broken, the grant returned to the files marked Canceled, and that letters patent in proper form be issued pursuant to the record in the case in the Patent Office."

11h Thereupon Letters Patent No. 635,280 dated October 17, 1899—similar in all respects to Letters Patent No. 621,324, except that sheet No. 2 containing figures 3 & 4 was omitted—issued to the complainant, Christensen.

The bill as originally filed, averred the issuance of Letters Patent No. 635,280, but, by amendment, all the facts above stated were subsequently incorporated.

The claims of the Patent are:

"1. In a combined air-pump and electric motor the combination of the frame having a chamber adapted to contain oil, a shaft provided with a crank or eccentric inclosed in said chamber, a cylinder formed with or attached to said frame and opening at one end into

said chamber, a piston fitted to work in said cylinder and connected with said crank or eccentric, a motor-base attached to said frame and forming a cover for said oil-chamber, an armature supported upon said base and connected by gears with said crank-shaft, and a gear-case attached to said frame and motor-base and forming therewith an inclosure for said gears and a receptacle for holding oil, said frame, gear-case and motor-base completely inclosing and protecting the driving connection of the pump and the crank-shaft terminating within said gear-case, whereby a stuffing-box therefor is dispensed with, substantially as and for the purposes set forth.

2. In a pump the combination with a frame or case formed or provided with a closed chamber adapted to exclude dirt and to contain oil, a shaft having bearings in said frame or case and provided with a crank or eccentric within said chamber, a cylinder formed with or attached to said frame or case, a piston fitted to work in said cylinder and connected with said crank or eccentric, a shaft mounted on said frame or case and connected by gearing with said crank-shaft, and a gear-case forming an oil-tight closure over said gearing and the end of the crank-shaft with which the driving connection of the pump is made, whereby a stuffing-box for said crank-shaft is dispensed with, substantially as and for the purposes set forth.

3. The combination of a frame provided with boxes and formed with an oil chamber or well between said boxes, a shaft supported in said boxes and provided between them with a crank or eccentric, a cylinder attached to said frame and opening at one end into the oil chamber or well therein, a piston fitted in said cylinder and connected with said crank or eccentric, a motor-base mounted upon said frame and forming a closure for said chamber, an armature-shaft supported in bearings upon said base parallel with said crank-shaft and provided at one end with a pinion which meshes with a gear on the crank-shaft, and a case inclosing said pinion and gear forming a receptacle for holding oil, a part of said case over said pinion being detachable, substantially as and for the purposes set forth.

4. The combination of a frame formed with an oil well or chamber and provided with boxes in communication with said chamber, a shaft supported in said boxes and provided with a crank or eccentric, a cylinder attached to said frame and opening at one end into said oil-chamber, a piston fitted in said cylinder and connected with said crank or eccentric, an electric motor mounted upon said frame and comprising a base which covers said oil-chamber and is provided on the upper side with oil-wells and box-housings having detachable caps and with an armature-housing and yoke having also a detachable cap, an armature and its shaft supported in said housings parallel with the crank-shaft and provided at one end with a pinion which meshes with a gear on said crank-shaft, and a gear-case forming an oil receptacle and composed of two parts, one attached to the frame and motor-base, and the other to and removable

with the cap of the adjacent box-housing, substantially as and for the purposes set forth."

The questions arising in the case are:

(1) Whether Letters Patent No. 635,280, are valid,—defendant contending that they were issued without authority; that the irregularity, if it be one, of attaching to Letters Patent No. 621,324, the additional sheet, was subject to correction only through the medium of a reissue. An amendment to the bill was permitted to enable complainants to present all the facts, now conceded to be as above stated. If defendant is right in contending that the Commissioner of Patents was without power to grant the second patent, it ought to follow that he also lacked power to accept surrender of and to cancel the first grant. So too, if the situation was such that complainant was entitled to a reissue, there is nothing in the reissue statute which precludes us from treating the second as, in effect, a reissue, except the fact that it fails to limit the term to that of the first Patent. While the procedure adopted by Christensen may not conform to nor have been followed with the express design of obtaining a reissue, the facts brought to the Commissioner's attention are identical with those which would have been averred and

11j presented upon an application for reissue; and, even without formal application for reissue, the Commissioner could, in my judgment, have disposed of Christensen's application by designating patent number 635,280, as a "reissue." In every aspect of the case, it appears that the Government has allowed and granted a patent embodying the claims which, in the two documents, are identical. Whether the patent be evidenced by one, the other or both, is not, in view of the issues now here, material. Complainants' contention that, even though the second Patent on its face extends the term of the monopoly beyond that permitted by statute, the Court may, when necessary to protect the public or a party, give the instrument its actual limitation and effect, strikes me as fair and entirely consistent with the spirit of the patent laws. In other words, there is no reason why the irregularity of procedure should work a default or a total lapse in the patentee's right or title, especially as against one who has not been injured or misled, nor from whom relief is sought in reliance upon the irregularity. The question, upon the present state of the case, is therefore, academic only.

(2) Invalidity of the patent is urged by defendant—the contention being that the structure therein embodied is an aggregation of well known features of the prior art, and does not require for its production more than the expected skill of the calling of a competent mechanical engineer.

The patentee expressly claimed novelty in "features of construction and arrangement of parts" to accomplish the "main object" of providing "within small compass or in compact form, a combined pump and motor of simple and durable construction that will not be affected by dust, mud, ice or snow, that will be efficient and economical in operation and that will require little attention," and,

further, a structure "designed particularly for use in connection with air-brakes for railway cars in which the pump and motor are usually exposed to dust, mud and snow, and the working parts if unprotected soon become worn and inoperative besides requiring constant and frequent attention."

It may be noted, preliminarily, that manufacture of the patented structure was begun in 1897; from then until 1903, it had received so marked recognition that the aggregate value of manufacture in such years was approximately five million dollars; that it had been found particularly adaptable for use in electric car traction in many different countries; and at or about the time of commencement of suit, about twenty, out of a total of about twenty-seven thousand combined motors and pumps used to operate air-brakes on street cars, were manufactured under the patent.

A witness for complainant, a mechanical engineer whose high professional attainments and probity are, it is believed, conceded by both parties, gave as a general summary of his analysis of the patented structure, its standing in the art, and particularly in view of its general adaptation for use on street cars, the following:

"It is a notable combination in the relation of the co-acting parts, resulting as it has, in a very compact structure, occupying little space and being especially adapted to hang from the bottom of the car; to be capable of operation by the same means as the car itself; to be protected against dust and dirt, mud and snow; to be provided with continuous lubrication in all its parts requiring lubrication, at the same time preventing the contact of oil with parts which oil would destroy; making use of the fluid for cooling, not only during air compression, thus doing away with water jackets, but also making use of the same lubricating fluid to keep down the temperature of the motor parts; the whole combination resulting in an apparatus highly practical in character, highly effective and efficient in operation."

The parties differ upon at least one of the points above claimed—viz. whether there is in fact accomplished a cooling of the operative parts through the use of the lubricating fluid; but in the main, the structure is conceded to have, or upon the evidence should readily be accorded, the general character given it. The question propounded by defendant—whether anything more than the skill of one competent in the calling of mechanical engineer, is required, is not easily answered when many years of successful use of a structure follow its recognition by the Government as possessing patentable novelty. Thus, it was generally conceded that prior to Christensen's application, there were known in the art, mechanisms such as a combined pump and motor; a pump actuated by an electric motor; a pump whose working parts are enclosed, and protected from dirt; a combination of a frame or case formed or provided with a closed chamber adapted to exclude dirt; a shaft having bearings in the frame or case and provided with a crank within the chamber; a cylinder formed with or attached to the frame or case; a piston fitted to work in the chamber and connected to the crank or eccentric, and

a shaft mounted on the frame or case and connected by gearing with the crank shaft; and steam engines having a crank case and  
 117 the general combination of parts last noted in whose operation splash lubrication was practiced. These, it is claimed are, generally speaking, the elements or parts of the patented structure, which, being known, were aggregated by complainant.

The witness above referred to, after analyzing the prior art patents and giving to the patented structure the character quoted, volunteered the statement that, "Assuming every feature of complainants' patent to be found in the prior art and to be available for use by merely assembling them, still there is no suggestion which would lead one to hit upon the particular combination which I am informed has resulted so successfully in its application to street cars as complainants' combined pump and motor" \* \* \* The prior art has given no hint of a combination accomplishing such results."

Perhaps this testimony was given in usurpation of the functions of the witness; but on cross-examination, his attention having been called thereto, he was asked:

"Now, if you or any other skilled or competent mechanical engineer, were called upon to work out an 'arrangement of parts' for use as a 'combined pump and motor,' what suggestions, other than those derivable by any skilled mechanical engineer from those prior structures, would be required to enable you to design an 'arrangement of parts' which while doubtless not a 'Chinese copy' of the particular 'arrangement of parts' described and shown in complainants' patent in suit, would nevertheless possess all the substantial operative advantages and results thereof?"

To which witness answered:

"I doubt if it would be possible to give a correct answer to such a question. The machine is before us and has been worked out in all its details and has proven itself by years of use to be splendidly adapted for its purpose. It is so simple a combination that one cannot help wondering how it was not discovered before in view of the fact that electric street cars have been in operation for going on 25 years."

The failure of complainant or his witnesses to give a better answer to the question, does not involve an admission that the inventive faculty was not exerted to produce the patented structure. It is not necessary that an inventor "understood or be able to state the scientific principles underlying his invention, and it is immaterial whether he can stand a successful examination as to the speculative ideas involved"; and "if he has added a new and valuable

11m article to the world's utilities he is entitled to the rank and protection of an inventor." *Diamond Rubber Company vs. Consol. Tie Co.*, 220 U. S., 439. The patentee addressed his attention, not to the problem of combining a pump and a motor, not to the mere matter of choosing from the art the several elements theretofore introduced which, when combined, would produce the results of combination; but rather to produce a combination effective for that purpose and adaptable for use in a new and expanding field. It is fair that he be permitted now to assert that the field wherein his



structure has proven a great success was before him when his efforts to produce the combination were being exerted. To say that, because the idea of compactness is not referable to inventive genius; that a combined pump and motor was known; that splash lubrication was not new; that the other elements are found in known mechanisms; that because any suggestion of invention not drawn from the prior art cannot be precisely pointed out, therefore the structure is a mere aggregation which any one possessing the skill of one competent in the calling might have assembled, begs the question at issue, and would preclude invention in most combination improvements. The defendant entered the field after the patented structure had achieved success and recognition. In its efforts to accomplish the same desired result, it has adopted, not only the idea of the combination, but, almost exactly, its size, form and dimensions of parts. This in itself involved recognition by defendant, not only of the combination, but also of its utility. The changes made by it are not in denial of the fact of the combination or its utility, but are required, necessarily, in an effort to evade it—and the proofs contain pretty certain intimation that the latter was defendant's express aims.

Now, under such circumstances, after many years, ought a court to say that complainant's combination is the product of mechanical skill; that its success and recognition afford no support to the initial presumption arising through the grant of a patent; that while any competent mechanical engineer might have made the same combination, the circumstance that no one but complainant made it, and the further circumstance that those skilled in the art give it recognition, do not support the claim of invention? It is my judgment that an attempt, now, to deny novelty and utility attributable to inventive skill, can succeed only on the basis of conjecture; and the conclusion is reached that the patent is valid.

11n (3) This brings us to the third question—infringement—consideration whereof necessitates a more detailed reference to the structure in suit. The accompanying diagrams, Fig. 1 and 2, representing complainant's Figs. 3 and 4, defendant's structure, will be helpful. Thus, Figs. 1 & 2 present in a general way the structure comprising, the pump frame (A), containing the pump mechanism, on the top of which rests a motor, connected with and in operative relation with, the pump mechanism through the gear mechanism enclosed in the case K (Fig. 2). Claim No. 1 of the patent includes, among others, as elements of the combination, (1) a "motor base (E) attached to said frame (A) and forming a cover for said oil-chamber (the oil-chamber being formed by the frame A which, as an element is adapted therefor), and (2), a gear case (K), (Fig. 2) attached to said frame and motor base (E), and forming therewith an inclosure for said gears and a receptacle for holding oil."

In the defendant's structure these changes appear: In the patented structure the motor base (E) Fig. 2, is claimed to serve also as a cover for the oil-chamber A, whereas in defendant's structure the motor base E consists of one plate, and a covering for the oil chamber is

affected through a separate plate X (see Fig 4). (2) In the patented structure, the gear case K is attached by means of bolting, whereas in the defendant's it is extended by being cast integrally with the oil chamber. The two questions upon this issue are therefore whether the claims of the patent in the particular noted are avoided by these changes, or, whether the claims, fairly interpreted, can be read upon defendant's structure. This is conceded to be the whole controversy respecting infringement. The defendant urges that in the patented structure the motor base E, being bolted to the top of the oil-chamber frame, is given, by the claims one, three and four, a dual function; that while defendant's structure has both motor base and cover, the functions are discharged by using two plates, one a motor base proper—that it is the bottom of the motor chamber—the other a top for the oil chamber. In other words, the two when bolted together in the structure, are not the equivalent of the one. There is no claim that the defendant has changed the principle of operation of the combination, nor introduced a new principle; nor that a new result is accomplished, except that by leaving a small air space between its two plates E and X, conduction of heat from one chamber to the other may be lessened. Whether

such latter result was intended to be accomplished does not appear; but the proofs tend to show that the temperature of the motor compartment is higher than that of the crank compartment, and that the presence of the air space would tend to promote conduction of heat to the chamber where the lower temperature is desired. But the conclusive answer to defendant's claim of having made the change for any such purpose is that the air space left between the two plates is insignificant, irregular, varying from  $1/8$  to  $5/16$  of an inch, and apparently neither intended, nor in fact adaptable for such purpose, if indeed accomplishment of such purpose could be desired. It seems clear that the two plate idea was hit upon solely in an effort to avoid Christensen's claims; and the question narrows down to whether in such claims the form of this particular mechanical element is its distinguishing feature so that any departure therefrom avoids infringement.

It strikes me that defendant has done this—the form of Christensen's mechanical element which, as it is claimed, performs the dual function of a base for one and a cover for the other compartment, is attempted to be destroyed by using two plates. But, in making this change, the one thing in view is that, ultimately, Christensen's single mechanical element is reinstated when the combination is completed by bolting the plates together; and the fact that each plate is first bolted or cast upon its own compartment, does not alter the situation, except to evidence the extent of evasion of the form of Christensen's element. If an architect design a double house with a partition wall of twelve inches, and another design is in all respects its duplicate except that it provide for two six inch walls one against the other and connected by bolts, is it reasonable to suspect a want of equivalency? True, the one may have advantages over the other when considering processes of construction or dis-

mantling, but in the primary function of a partition, they are equivalents.

I am of the opinion that defendant's structure discloses the equivalent of the mechanical element of a motor base and oil chamber cover disclosed in the patent.

The question remains—Does the gear case of defendant's structure infringe? The claim of the patent is for "a gear case, attached to said frame and motor base and forming therewith an inclosure for said gears and a receptacle for holding oil." The question turns upon the construction to be given to the word "attached"—defendant claiming that because its case is cast integrally with the

oil-chamber, instead of being first separately formed and attached by bolting, it does not respond to the call of the claim. The real difference between the two cases consists in the fact that the gear case of the patented structure is detachably attached. Of course the object of the gear case is to form a chamber or compartment protecting the gears and providing for their constant provision with oil. The word "attached" in view of the object as well as the necessity of compactness in the combination as a whole, should be construed, not narrowly, having reference only to the manner or means by which the one part is brought into close contiguity to the other part, but rather as indicating the fact of close contiguity—so close as to make the two parts in reality integral—no matter how it is accomplished. This construction appears fair and entirely consistent with the spirit of the patentee's claims. The other differences in the construction of defendant's gear case are in part necessitated by the introduction of the plate X as a cover for the oil-chamber and its extension to the gear case compartment. This, while making the case of three parts, results, after assembling in an exact duplicate in form and function as is found in the patent structure. The conclusion is that it is an equivalent, and infringes.

Complainant may take a decree sustaining the patent and adjudging infringement.

(Signed)

F. A. GEIGER,

*Judge.*

District Court of the United States, Eastern District of Wisconsin.

In Equity. No. 474.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS COMPANY,  
Complainants,

vs.

NATIONAL BRAKE & ELECTRIC COMPANY, Defendant.

*Decree.*

This cause came on to be heard at this Term and was argued by counsel; and thereupon, upon consideration thereof,

It was ordered, adjudged and decreed, as follows, viz:

117 I. That the patent of Niels A. Christensen No. 635,280 dated October 17, 1899, for "combined pump and motor," is good and valid as to each and every of the claims thereof.

II. That the complainant, Niels A. Christensen, is the lawful owner of the entire right, title and interest in and to the said patent.

III. That the defendant, National Brake & Electric Company has infringed said Patent.

IV. That the said defendant, National Brake & Electric Company, its officers, agents, representatives, attorneys, employees, servants and workmen and each of them and any and all others acting by and under its authority, for the remainder of the term of seventeen years from and after March 21, 1899, are hereby enjoined and restrained from making, selling or using or causing to be made, sold or used, any combined Pump and Motor embodying the improvements described in any of the claims of said letters patent, No. 635,280.

V. That Lewis M. Ogden be appointed Master, to ascertain and report to the Court the number of combined pumps and motors embodying the subject matter of the claims of said Patent No. 635,280 that have been made and also that have been sold by the defendant in infringement of the Patent, and the gains and profits made by the defendant thereon, and the damages sustained by complainants by reason of such manufacture, use and sale.

VI. That complainants, Niels A. Christensen and Allis-Chalmers Company recover of the defendant, National Brake & Electric Company, their costs and disbursements in this suit to be duly taxed; and that the question of increased damages and all further questions be reserved until the coming in of the Master's report.

F. A. GEIGER,  
*Judge.*

Dated Milwaukee this 21st day of August, 1914.

I see no objection as to form to the above.

\_\_\_\_\_  
*Solicitor for Defendant.*

12 In the United States Circuit Court of Appeals for the Seventh Circuit, October Term, 1914, April Session, 1915.

No. 2163.

NATIONAL BRAKE AND ELECTRIC COMPANY, Appellant,

vs.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS COMPANY, Appellees.

Appeal from the District Court of the United States for the Eastern District of Wisconsin.

Before Baker, Kohlsaat, and Mack, Circuit Judges.

**MACK, Circuit Judge:**

Letters patent, No. 621,324, were issued March 21, 1899. Included therein was a sheet of drawings which had formed part of the original application but had been eliminated therefrom and made part of a separate application after a division. The patentee at once rejected the letters patent, returned them for cancellation and because of the error there was issued to him letters patent No. 635,280 on October 17, 1899. The latter patent in terms ran for seventeen years from its date.

Suit was begun on both patents, alleging an infringement of the invention and asking that if the latter should be deemed invalid because not issued in conformity with the reissue statute, R. S. sec. 4916, the attempted cancellation of the former should be deemed a nullity.

The four claims of the patent, all of which are here involved, read as follows:

"1. In a combined air-pump and electric motor the combination of the frame having a chamber adapted to contain oil, a shaft provided with a crank or eccentric inclosed in said chamber, a cylinder formed with or attached to said frame and opening at one end into said chamber, a piston fitted to work in said cylinder and  
12a connected with said crank or eccentric, a motor-base attached to said frame and forming a cover for said oil-chamber, an armature supported upon said base and connected by gears with said crank-shaft, and a gear-case attached to said frame and motor-base and forming therewith an inclosure for said gears and a receptacle for holding oil, said frame, gear-case and motor-base completely inclosing and protecting the driving connection of the pump and the crank-shaft terminating within said gear-case, whereby a stuffing-box therefor is dispensed with, substantially as and for the purposes set forth.

"2. In a pump the combination with a frame or case formed or provided with a closed chamber adapted to exclude dirt and to con-

tain oil, a shaft having bearings in said frame or case and provided with a crank or eccentric within said chamber, a cylinder formed with or attached to said frame or case, a piston fitted to work in said cylinder and connected with said crank or eccentric, a shaft mounted on said frame or case and connected by gearing with said crank-shaft, and a gear-case forming an oil-tight closure over said gearing and the end of the crank-shaft with which the driving connection of the pump is made, whereby a stuffing-box for said crank-shaft is dispensed with, substantially as and for the purposes set forth.

"3. The combination of a frame provided with boxes and formed with an oil chamber or well between said boxes, a shaft supported in said boxes and provided between them with a crank or eccentric, a cylinder attached to said frame and opening at one end into the oil chamber or well therein, a piston fitted in said cylinder and connected with said crank or eccentric, a motor-base mounted upon said frame and forming a closure for said chamber, an armature-shaft supported in bearings upon said base parallel with said crank-shaft, and provided at one end with a pinion which meshes with a gear on the crank-shaft, and a case inclosing said pinion and gear forming a receptacle for holding oil, a part of said case over said pinion being detachable, substantially as and for the purposes set forth.

"4. The combination of a frame formed with an oil well or chamber and provided with boxes in communication with said chamber, a shaft supported in said boxes and provided with a crank or eccentric, a cylinder attached to said frame and opening at one end into said oil-chamber, a piston fitted in said cylinder and connected with said crank or eccentric, an electric motor mounted upon said frame and comprising a base which covers said oil-chamber and is provided on the upper side with oil-wells and box-housings having detachable caps and with an armature-housing and yoke having also a detachable cap, an armature and its shaft supported in said housings parallel with the crank-shaft and provided at one end with a pinion which meshes with a gear on said crank-shaft, and a gear-case forming an oil-receptacle and composed of two parts, one attached to the frame and motor-base, and the other to and removable with the cap of the adjacent box-housing, substantially as and for the purposes set forth."

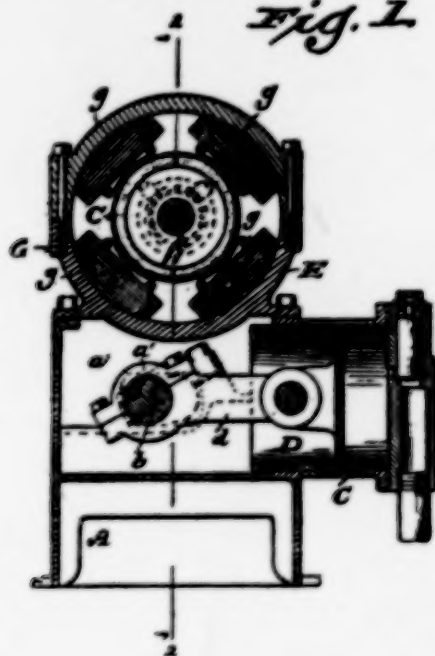
As stated in the specifications, the main object of the invention was:

"To provide within small compass or in compact form a combined pump and motor of simple and durable construction that will not be affected by dust, mud, ice or snow, that will be efficient and economical in operation, and that will require little attention."

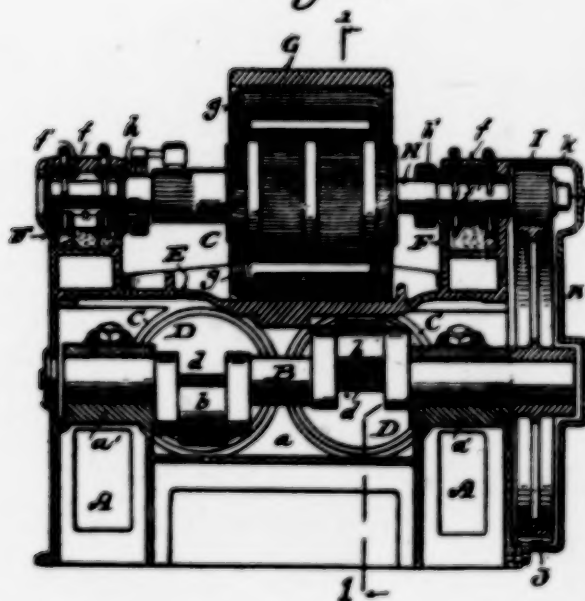
The particular use of the combined pump and motor was, as further stated therein:

COMPLAINANTS'.

*Fig. 1.*



*Fig. 2.*







DEFENDANT'S.

FIG. 1

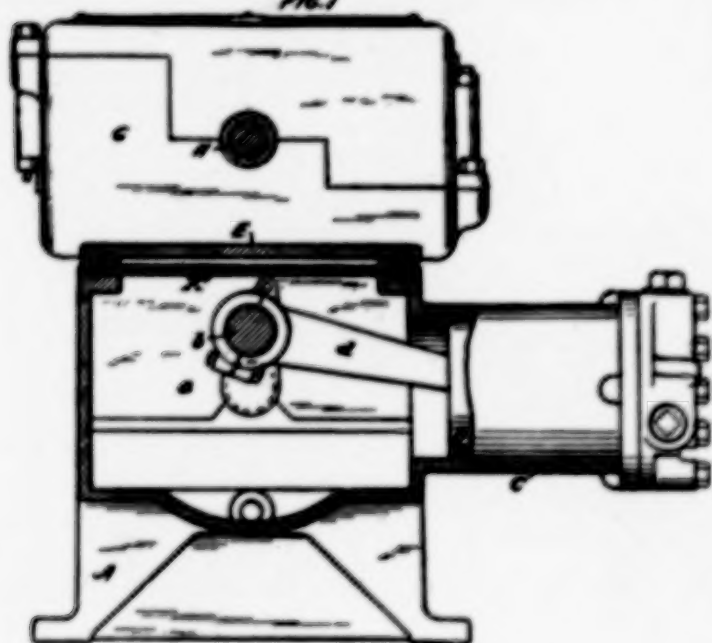
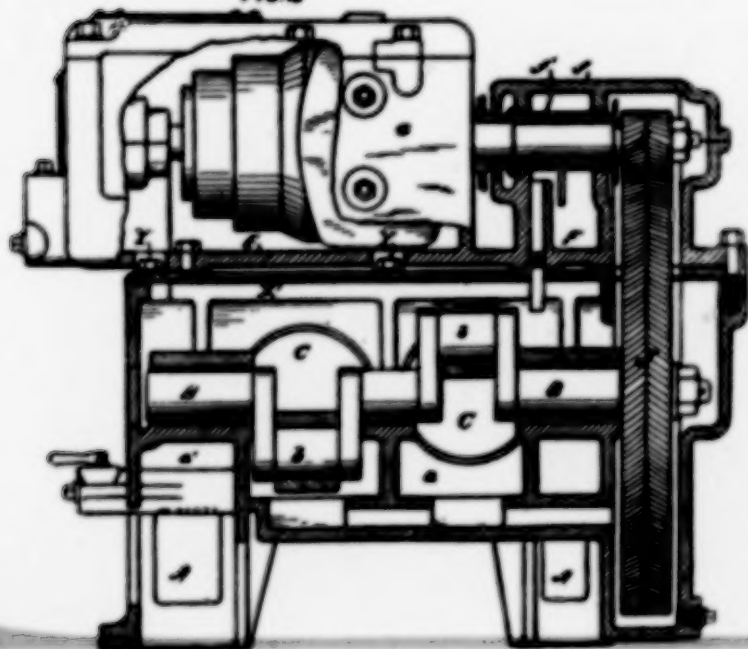


FIG. 2





"In connection with air-brakes for railway-cars on which the pump and motor are usually exposed to dust, mud and snow, and the working parts if unprotected soon become worn and inoperative, besides requiring constant or frequent attention."

Complainants' and defendant's devices are shown in the following drawings:

(Here follow drawings marked page 12c and page 12d.)

12e The modern electric trolley car requires for efficient operation a brake operated by compressed air. The air pump or compressor maintains a supply of air under heavy pressure, available when the brake is to be applied. An electric motor is advisable, inasmuch as the same electric current that supplies the car can give the motive power to operate the pump. Combining motor and pump is essential for compactness; thoroughly enclosing the parts enables the device to be placed in what is economically the best place, underneath the car, without endangering the construction and operation from the dirt, snow and ice that gather about it. The problem presented to Christensen was to secure this compactness, efficiency of operation, durability of the parts and, despite its location, accessibility for repairs. No device then on the market operated satisfactorily. Christensen's structure solved the problem. The evidence clearly establishes that it met an immediate need; was extensively adopted both in the United States and in other countries; that appellant, having become the purchaser of the works of a corporation, organized by the inventor for the manufacture of the device, through a bankruptcy sale, continued the manufacture under a license from 1905 until December, 1906; that it then cancelled the license and began to manufacture the alleged infringing equipment. The case is before us on appeal from a decree of the District Court holding the patent valid and infringed as to all of the claims.

1. It is of no moment which of the two patents be held to be in force. The surrender for cancellation of the one was conditioned upon the grant of a valid legal substitute. If the Commissioner of Patents was without authority to issue the second, then, in our judgment, his action in cancelling the first must be deemed legally ineffective. We agree, however, with the learned trial judge that while Christensen's procedure did not aim at a reissue, the situation is identical with that presented on an application for re-issue, and that, without formal application, the later patent might have been designated as a reissue. This is a case of a pure clerical error, not of double patenting. While two documents have been issued, there is but a single grant of one and the same right to the same person.

That the second patent was erroneously granted for a term of seventeen years from its date does not nullify it. The law itself prescribes the term of a patent; seventeen years is the maximum.

It may for several reasons expire at an earlier date. The failure properly to limit the term no more affects the validity 12f in this case than it does in a case where, because of a prior foreign patent having a shorter term, the United States patent by law expires before the end of the seventeen years specified in the document.

2. Claims 1, 3 and 4 are for the complete structure; claim 2 is for the pump alone. The several defenses will be considered separately as to these two classes of claims.

(a) As to claims 1, 3 and 4: concededly there is no direct anticipation. Novelty and invention in combining old elements is not

controverted, if the claims be limited to the form indicated in the drawings and in the literal language of the claims but, in that event, infringement is denied.

The conceded element of novelty is the creation of a unitary structure instead of a mere aggregation of air pump and electric motor by the use of the motor base for a cover of the compressor, that is, by the use of a single piece of metal; this, defendant says, alone saves the structure from the charge of aggregation; it admits that thereby, in addition to slightly greater compactness and a readier accessibility to the compressor parts, valuable in cleaning and repairing the cooling of the motor by the direct splashing of the oil in the compressor on this single metal sheet is obtained. It is important for the durability and efficiency of the motor that the heat therein be reduced as far as possible.

In defendant's structure, the metal sheets forming the motor base and compressor cover are bolted separately to their respective compartments. The air space between them is, in actual practice only  $1/16$  to  $3/16$  of an inch and is not uniform in any one machine. Defendant claims that its motor is cooled by means of this air space and that thus it secures an identical result without infringement, through the use both of a different construction and a different method. This is based on the theory that the space is a medium through which cooling air circulates and an insulator by which the heat of the compressor compartment is prevented from passing to the motor parts.

The thinness and lack of uniformity of the air space and particularly its tendency to fill with dirt and mud, however, practically nullify its usefulness as an air circulating medium; the tests, moreover, demonstrate the falsity of the insulation theory, upheld  
12g by one of defendant's experts. They prove conclusively that more heat is generated in the motor than in the compressor compartment and that, therefore, in so far as the air space could fulfill its alleged function of insulation, it would check the desirable conduction of heat from the motor parts; it would act detrimentally, not beneficially.

The union of the motor and compressor boxes by a single sheet of metal serves, however, another function than that of enabling the splashed oil to act as a motor cooling medium. The metal sheet connection is a heat conductor; through it some of the greater heat of the motor compartment is conducted to the compressor chamber and dissipated. And this same function is attained in the same way in defendant's structure, for while it purports to separate the two sheets by a worse than useless air space, it actually joins them together by the bolts and bosses and also, when in operation, by the dirt and mud that gathers in the space. These form a heat conductor less efficient but substantially equivalent to complainant's single metal sheet.

We can see in defendant's structure, merely an attempt to evade complainant's patent by first dividing the one sheet of metal into two parts without any reason therefor and at the sacrifice of the desirable results of greater compactness and accessibility to the parts

and by then separating these two parts for an alleged purpose which, far from being attained, is reduced or lost in the measure that the intervening space actually remains an air chamber. If one plate were cast and a center space cored out, this piece of metal would be literally both motor base and compressor cover. Infringement is not avoided by completing the separation and then partially reuniting the parts.

Christensen himself made 120 devices, having the base cover in two parts with a space between but, as he says, he "abandoned" it because of its inferiority. This, however, was after his application had been filed; the so-called "abandonment" involved merely the practical substitution of the preferable for the less desirable form; it was not a legal abandonment to the public of any rights covered by his application and secured to him by the patent issued thereon.

Even if complainants are to be restricted to a very narrow range of equivalents, defendants' two plates joined by bolts and bosses though separated in part must be deemed substantially equivalent to complainants' single plate.

12*h* The gear case is variously described; claim 1 reads:

"A gear-case attached to said frame and motor-base and forming therewith an inclosure for said gear and a receptacle for holding oil, said frame, gear-case and motor-base completely inclosing and protecting the driving connection of the pump and the crank-shaft terminating within said gear-case, whereby a stuffing box therefore is dispensed with."

#### Claim 3.

"A case inclosing said pinion and gear forming a receptacle for holding oil, a part of said case over said pinion being detachable."

#### Claim 4.

"A gear-case forming an oil-receptacle and composed of two parts, one attached to the frame and motor-base, and the other to and removable with the cap of the adjacent box-housing, substantially as and for the purposes set forth."

Defendant's gear case is cast in part at least integrally with the pump box and is thus not a completely detachable attachment. For the reasons which we shall state in considering claim 2, infringement is not thereby avoided. Claims 1, 3 and 4 were, therefore, properly held valid and infringed.

(*b*) As to claim 2: This claim is for the pump alone. Anticipation, lack of invention and non-infringement are the defenses urged.

(*aa*) As to infringement: the two gear cases differ in that complainants' is a separate casting, attached detachably to the frame "A" by bolts, whereas defendant's is cast integrally as part of the



crank case up to the cover with an opening through which the upper part of the spur gear passes, and above that, integrally as part of the motor case.

While defendant's compressor and gear chambers thus form one and not, like complainants', two compartments, they may be separated in defendant's device so as to permit the use of different oils in the two chambers and the two chambers, in complainants' device, are, in fact, so connected as to permit the use of the same oil in both chambers. Thus, whether so cast as to form one or two chambers, separation or connection is feasible in both; with their detached caps and covers they form in practically equal measure an oil tight closure over the gearing and the end of the crankshaft, thus dispensing with the stuffing box for the crank shaft; irrespective of the number of separate pieces of metal of which they are composed or of the presence or absence of complete detachability from the rest of the structure, they have the same function of enclosing and protecting all the working parts of the transmission and of permitting the use of the same or different oils for the compressor parts and the gears. Defendant secures no new function by its construction; it loses some of complainants' advantages of easier access for alignment of the shafts and adjustment of gears. The two are substantially equivalent, unless complainants are to be limited to a detachably attached gear case.

While the word "attached" which is used in claims 1, 3 and 4, conveys primarily the conception of a union of one piece to another but detachable therefrom, it is also properly used to describe the relation between two parts of a single structure, each having its own function, whether cast integrally or originally separate and then joined together and, in the latter case, irrespective of whether or not the parts are detachable without injury to one or both. And a comparison of the several claims indicates that Christensen used the word in its broadest meaning as including the relation to the rest of the structure of a case which was either separate and detachable from or a portion of which was cast integrally with the crank case. In claim 3, in which the gear case is not specifically stated to be attached to the frame, its cover is described as detachable and in claim 4, while one part of the case is described as attached to the frame and motor base, the other part is stated not only to be attached to but to be removable from the adjacent box housing.

So far, however, as claim 2 is concerned, the gear casing, while stated as an element, is not further described as to its attachment to or detachment from the other parts of the device. There is no limitation other than that it forms part of a unitary structure. That the drawings and specifications show a detachably attached case indicates merely the preferred construction; it does not limit the claims to that form. In a somewhat analogous case the court said, in *National Tube Co. v. Mark*, 216 Fed. 507 (C. C. A., 6th Circuit):

12j "We find nothing upon the face of the patent requiring the claim to be limited to rolls which had these flanges attached to and integral with the rolls. It is true that neither by drawing

nor specification does Fell suggest the performance of this function by stationary parts of the frame, but this is not necessary. In the absence of something clearly showing that the patentee did intend to have his grant confined to a specific form, a broad and generic claim may rightfully stand on a mere specific disclosure; and the invalidity of such a claim (if it is invalid) will result, not from the applicants' failure to use more sweeping language in his specification but from the state of the art limiting the actual invention. The claims are part of the description required by Statute, and in them and not in that part of the description which is now commonly called 'specification,' is the proper place in which to define the breadth of the invention, as was most accurately apprehended by Fell's solicitor when he (though quite unnecessarily) said that various changes might be made 'without departing from my invention as defined by the appended claims.' "

The specifications, moreover, specifically state:

"It is obvious that various modifications in the details of construction and arrangement of parts may be made within the spirit and intended scope of my invention."

The concluding words of the claims "substantially as and for the purposes set forth," are, if possible, even weaker than the phrase "substantially as described" (very fully considered in *National Tube Co. v. Mark*, supra) to indicate a limitation of the claim to the preferred form shown in the drawings and specifications.

There is nothing in the history of this claim in the patent office which limits complainants to a detachably attached case.

(bb) As to anticipation. The nearest reference is claimed and conceded to be the Ward patent, No. 443,020 for refrigerating apparatus. The compact form of structure necessitated by the use for which the complainants' device is primarily designed makes the complainants' arrangement of the parts essential; Ward's machine, designed for a totally different purpose, enables him to locate the gearing, which connects the driving shaft and the crank shaft.

12k between the bearings, at the middle instead of at the end of the shaft, and to place the cranks on the ends. The gearing is partitioned off; no splashing effect of the oil from the gears onto the crank or vice versa, is possible. Moreover, these partitions form an enclosing gear case separating the crank compartments into two separate chambers; neither end of the crank shaft terminates in and is enclosed by this gear casing; intermittent lubrication is provided for these two crank chambers by openings in the top of the case. There could be no cooling effect of any oil on the working fluid or on the motor, as there is, when, in accordance with the specifications and the other claims, the motor base covers the Christensen pump chamber.

In the next nearest reference, the General Electric Co.'s Duplex Electric Sinking Pump, described in 21 *Electrical World*, 380

(1893), there is no communication between the gear and the crank chambers, so that the oil in one cannot flow into the other.

While an enclosed gear chamber, obviating the need of a stuffing box for the crank shaft end, is shown by the Grillenberger patent 209,673 and other references to be old, its use in a pump like complainants', designed or adaptable for the purposes to which it is to be put, and separably united, as this is, with the compressor chamber, has not been anticipated.

(cc) As to invention. The line between mechanical and inventive genius is often difficult to draw. This structure met a great need: highly skilled engineers familiar with the old elements failed thus to utilize them; the bringing of them together in this compact, ingenious form concededly amounted to invention. True, this applies to the combination of motor and pump; claim 2 is limited to the pump alone. The pump, however, necessarily requires some motive power; for the purposes for which it was primarily designed, the electric motor obviously was the only one that would be selected. The combination of

(a) an oil holding, gear enclosing case in which the one end of the crank shaft terminated and by which it was protected, dispensing with the undesirable stuffing box, and

(b) the compressor case with its parts so arranged as to utilize the oil for both lubricating and cooling purposes, if the motor should be attached to the pumps as stated in the other claims,

12l united in such a way as to secure the highly desirable compactness, ready accessibility to the parts, and adaptability, through their possible connection, to the flow of the same lubricant from one to the other, or by their possible separation, to the use of a different lubricant for each of them, required more than mere mechanical skill. No pump is shown to have anticipated Christensen's; none was adapted to this particular service, or had all of these functions; the utilization of old elements for this new form of construction to meet this specific need was, in our judgment, an exercise of inventive genius.

The decree of the district court is

Affirmed.

12m And afterwards, on the same day, to-wit: On the fifth day of October, 1915, in the October term last aforesaid, the following further proceedings were had and entered of record, to-wit:

TUESDAY, October 5, 1915.

Present:

Hon. Francis E. Baker, Circuit Judge, presiding.

Hon. Christian C. Kohlsaat, Circuit Judge.

Hon. Julian W. Mack, Circuit Judge.

Hon. Samuel Alschuler, Circuit Judge.

Edward M. Holloway, Clerk.

John J. Bradley, Marshal.

Before:

Hon. Francis E. Baker, Circuit Judge.  
Hon. Christian C. Kohlsaat, Circuit Judge.  
Hon. Julian W. Mack, Circuit Judge.

2163.

NATIONAL BRAKE & ELECTRIC COMPANY

VS.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS COMPANY.

Appeal from the District Court of the United States for the Eastern  
District of Wisconsin.

This cause came on to be heard on the transcript of the record from the District Court of the United States for the Eastern District of Wisconsin, and was argued by counsel.

On Consideration Whereof, It is now here ordered, adjudged and decreed by this Court that the decree of the said District Court in this cause be, and the same is hereby affirmed with costs.

A petition for a writ of certiorari to the United States Circuit Court of Appeals for the Seventh Circuit to review said decision was filed in the United States Supreme Court on behalf of said defendant and was denied February 21, 1916.

13 In the United States Circuit Court of Appeals for the Third  
Circuit.

In Equity.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS MANUFACTURING  
COMPANY, Plaintiffs,

V.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Petition of Defendant for Writ of Certiorari or Writ of Mandamus from the United States Circuit Court of Appeals for the Third Circuit to the United States District Court for the Western District of Pennsylvania.*

To the Honorable the Judges of the United States Circuit Court of Appeals for the Third Circuit:

Your petitioner, Westinghouse Traction Brake Company, respectfully represents as follows:

Your petitioner was sued in an action instituted by bill in equity in the United States District Court for the Western District of Penn-

sylvania, alleging infringement on the part of your petitioner of certain letters patent, amongst which were two original patents granted to the plaintiff Christensen, about seven months apart, covering identically the same invention, said patents being numbered 621,324, issued March 21, 1899, and 635,280, issued October 17, 1899, each of said patents being for a full term of seventeen years. The circumstances which brought about this remarkable result are fully set up in the bill of complaint, particularly in the paragraphs third, fourth and fifth. The first patent was identical with the second, except that it contained a sheet of drawings which the applicant had ordered canceled. Several months later Christensen sent the patent back and demanded a new one, but without applying for reissue, and on such bald demand the Commissioner of Patents issued an entirely new patent for seventeen years from the new date. The answer admits the facts to put in issue the validity of the second of said patents, 635,280, and pleads the invalidity of said patent, 635,280, as a second patenting to the same man of the same invention.

Aside from the matter of the seven months' difference in the dates of expiration of said patents, the question as to which of said patents was valid is vital in this cause because the bill avers in paragraph marked "eighth," the machines containing said invention manufactured by the plaintiffs were marked patented under said second patent, 635,280, but the bill contains no such averment as to patent 621,324, as to which latter clearly the plaintiffs, under the statutes, section 4900, could only secure an accounting if able to prove notice and infringement after notice. Both patents have now expired, and no question of injunction can possibly arise. There is nothing in the case as to these two patents except a question of possible recovery or accounting, and assuming the second patent to be invalid, as alleged in defendant's answer, under the state of facts set up in plaintiffs' bill, the plaintiffs clearly have no right to any relief under that patent, and the trial if any were had would have to be restricted to the first patent, and as to this patent

15 621,324, it is further to be noted that equity has no jurisdiction, since the bill was filed only ten days before the patent expired, and defendant was not summoned into court until twelve days after the patent had expired, in which case (as fully appears from the brief on the merits hereto attached, p. 44) the bill should be dismissed as to that patent also for lack of equity and not without prejudice. It is thus perfectly clear from study of the pleadings referred to, that the court below had before it in such pleadings, and independent of any other papers, records, or considerations whatever, full means to decide the question as to the validity of said second patent, 635,280, on the merits, and as to the lack of equity jurisdiction under said first patent 621,324.

Your petitioner respectfully shows that the suit in the Western District of Pennsylvania was begun on March 11, 1916, the subpoena being served March 13, 1916, the bill as originally filed being based upon the two patents already mentioned covering the same invention and relating to a combined pump and motor, and

another patent, 680,832, on a compressor valve. The prayer of the bill, on the statement of facts already mentioned regarding the relation between the said two patents for the same invention, submitted as an issue to the court the question as to which of said two patents was valid, and prayed an injunction alternatively under one or the other of the same; the answer, which was filed on April 17, 1916, set up a large number of prior patents and prior uses against all of said patents, and specifically pleaded invalidity of the second of said combined pump and motor patents, 635,280, by reason of the prior issue of the other patent, 621,324.

A large amount of testimony was taken under the statute de bene esse by both plaintiffs and defendant and duly filed in court, the plaintiffs themselves taking the testimony of no less than ten witnesses at great length at Milwaukee, Wisconsin, and in connection with the same, offering a large number of exhibits and introducing a certain stipulation which constituted in substance a restatement of the facts set up in the bill of complaint regarding the relation between the said two patents on the combined pump and motor device.

At one stage in the proceedings, plaintiffs by amendment added to their bill of complaint two other patents, namely, 753,954, for electrical machine, and 914,966, for compressor valve, and defences urging laches, failure of marking and notice, non-infringement and lack of validity were set up as to these patents in an amendment to the answer. The amendment to the bill was filed May 15, 1916, and the amendment to the answer on June 1, 1916.

During still another phase of the proceedings defendant endeavored to secure leave of court to amend its answer to set up therein a certain infringement by plaintiffs, urged as a counterclaim, but this motion was denied by the court below, in an opinion reported in 235 Fed. 898.

Your petitioner further shows that on March 13, 1916, plaintiffs brought a similar suit against your petitioner in Chicago, the bills in the two cases being identical, based upon the three patents, 621,324, 635,280 and 680,842. Defendant filed an answer in said Chicago suit, and since that date nothing has been done therein, but plaintiffs elected to proceed with the Pittsburgh suit, and have so proceeded diligently since the filing thereof.

The case in the Western District of Pennsylvania was set down for trial in accordance with the rules and called at the call of the trial calendar in November, 1916, and then continued until the December call, and finally a date for trial was fixed for January 22, 1917. On January 19, 1917, the plaintiffs noticed a motion, which was heard in court on January 20th, for a postponement of the date of trial, and after full argument on said motion on January 20th, the date of trial was postponed, by order of court, until February 13th. At the time of the trial of said motion for postponement, January 20, defendant, with its counsel and necessary witnesses, was all ready and prepared to proceed with the trial in Pittsburgh, and again made ready for trial in advance of the

new date set, February 13, 1917, when, a couple of days before said trial, the plaintiffs suddenly, on telegraphic notice, moved to dismiss the bill without prejudice. Defendant opposed such motion of dismissal on the ground that it would be thereby deprived of certain substantial rights, and before decision on said motion for dismissal, filed with the court formal motion "for judgment upon the pleadings and proofs already filed as to patents 635,280, 621,324 and 680,842." Said formal motion by defendant for judgment upon the merits with respect to said three enumerated patents was based "upon certain allegations of the bill admitted in the answer with respect to the two patents on the combined pump and motor" and as to the other patent on the valve, 680,842, upon certain catalogues and exhibits showing defendant's construction.

The motion for judgment on the merits further says:

"As to patents 621,324 and 635,280 all the facts necessary to judgment are already in the record and in the bill of complaint and in admissions of the answer. Nothing is left except a judgment upon the legal points involved."

Affidavits were filed in support of the motion to dismiss and in opposition thereto, as well as typewritten briefs, and argument was had with respect to the situation presented by the defendant's motion for judgment on the merits, as well as with respect to the plaintiff's motion to dismiss, after which an opinion was rendered by his

Honor, Judge Orr, agreeing to allow the dismissal on conditions that the testimony taken be perpetuated and the plaintiffs pay the costs and the motion for judgment as to the three patents above mentioned was denied on the ground that the case had "not come on for trial," and that the "stipulations of counsel and exhibits are not in evidence." The court below, in concluding its opinion, stated that "If it were a question determinable upon reading the bill and answer, the ruling of the court might be different."

In view of the statement by the court below last above referred to, defendant presented a petition for rehearing on defendant's motion for judgment as to patents 621,324 and 635,280, specifically calling attention to the fact that such motion was *inter alia*, based upon that very ground that the question involved is "determinable upon the bill and answer," and that, under the authorities cited, under such circumstances defendant "has a right to have the case decided on its merits" to put an end to the litigation. This petition for rehearing the court below refused to pass upon on the ground that the case was no longer before the court, overlooking the fact that rule 69 plainly gives the court jurisdiction of such a petition, at least until the close of the term in which any decree may be entered, and also apparently disregarding the fact that the case was really only in condition for dismissal on conclusion of the taxation of costs, no taxation having yet been made.

Your petitioner presents the facts as above set forth, supported by a certified copy of such parts of the record below as are herein referred to, fundamentally on the ground that the action of the court below in refusing to render judgment on the merits as to the patents on the combined pump and motor, 621,324 and 635,280, and in refusing to pass upon defendant's petition for rehearing, has deprived



your petitioner of rights to which it is justly entitled under the law and also under the provisions of the equity rules, with respect to the raising of special defenses before the trial of the principal case, specifically provided for in said equity rule 29, and with respect to the provisions regarding petitions for rehearing contained in rule 69, and as such refusal of defendant's rights under the law and under said equity rules has the effect of depriving defendant of any right of appeal, your petitioner prays that this Honorable Court may be pleased to grant a writ of certiorari to the United States District Court for the Western District of Pennsylvania requiring it to certify the record to this Court in order that this Court may fully review the matter set up in its petition, or to grant a writ of mandamus addressed to said Court directing it to proceed to the trial and determination of the merits of the issues raised under the facts set up in the bill and admitted in the answer, with respect to the said patents 621,324 and 635,280.

THOMAS B. KERR,  
PAUL SYNNESTVEDT,

*Counsel for Petitioner.*

April 23rd, 1917.

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# TRANSCRIPT OF RECORD.

In the United States Circuit Court of Appeals for the Third Circuit,  
March Term, 1917.

No. 2248.

WESTINGHOUSE TRACTION BRAKE COMPANY, Petitioner.

v.

NIELS A. CHRISTENSEN, ALLIS-CHALMERS MANUFACTURING COMPANY, HON. CHARLES P. ORR, Respondents.

On Petition for Writ of Certiorari or Mandamus to the District Court of the United States for the Western District of Pennsylvania.

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3 Among the rolls, records and judicial proceedings had in  
the United States District Court for the Western District of  
Pennsylvania, at No. 80, May Term, 1916, may be found the fol-  
lowing words and figures:

May Term, 1916.

No. 80.

NIELS A. CHRISTENSEN, a Citizen of the State of Wisconsin, and  
ALLIS-CHALMERS MANUFACTURING COMPANY, a Corporation and  
Citizen of the State of Delaware,

v.

WESTINGHOUSE TRACTION BRAKE CO., a Corporation and Citizen of  
the State of Pennsylvania.

Lines, Spooner, Ellis & Quarles, Milwaukee, Wis.  
Reed, Smith, Shaw & Beal, Wm. R. Rummeler, Tribune Bldg.,  
Chicago.  
James K. Bakewell, Thomas B. Kerr.

*Docket Entries.*

- March 13, 1916. Bill filed.  
 " " " Subpoena issued.  
 " 13, " Writ returned served on Westinghouse Traction Brake Company by handing to and leaving a true and attested copy thereof with C. A. Craig, Manager and Chief of Sales in charge of Westinghouse Traction Brake Company at Pittsburgh, Pa., March 13th, 1916.
- Apr. 17, 1916. Answer filed.  
 May 25, 1916. Amendment to Bill of Complaint filed by leave of Court, deft. to have until June 1st to answer Bill as amended.
- June 1, 1916. Answer to amendment of the Bill of Complaint filed.  
 24
- July 28, 1916. Notice of motion to amend answer, affidavit and acceptance of service filed.  
 " " " Testimony taken before Alex. Gilchrist, Jr., at New York, received and filed.
- Aug. 8, 1916. Stipulation extending time for taking depositions filed.  
 " 12, " Preceipe for appearance of W. R. Rummaker for plaintiff filed.  
 " " " Argument *sur* application to file counter-claim C. A. V.
- Sept. 21, " Stipulation extending time for taking depositions filed.  
 " 22, " Testimony of behalf of defendant taken at Schenectady, N. Y., rec'd and filed.  
 " 30, " Opinion filed and entered denying motion on part of defendant to amend answer by setting up a counter-claim of infringement.
- Nov. 6, 1916. Dropped from list subject to reinstatement upon preceipe.  
 " 11, " Preceipe for Equity Calendar, May Term, 1917, filed.
- Dec. 22, " Stipulation and order as to cost of depositions filed entered.
- Jan. 9, 1917. Amendment to Answer and Order with Notice filed.  
 " 10, " Depositions of R. P. Tell, W. J. Richards, H. W. Cheney, E. H. Bottum, John H. Hurley, William R. Crawford & B. T. Becker, filed.  
 " 12, " Depositions of Thomas Redoar, Maxwell F. Lindner, Frank L. Massey, Patrick W. Connolly, Joseph F. Mance, Maxwell F. Lindner (re-called) and John W. Bingley.

25

- Jan. 20, 1917. Affidavit of N. A. Christensen re continuance filed.  
 " " " Affidavits re continuance filed.  
 Feb. 2, 1917. Exhibits (introduced in connection with depositions taken before W. J. Brickley, Notary Public, Milwaukee) received and filed.  
 " 13, 1917. Petition of Plaintiffs to dismiss bill filed and entered.  
 " " " Affidavit of Niels A. Christensen filed.  
 " " " Answer to Plaintiffs' Motion to Dismiss filed.  
 " " " Motion of defendant for judgment upon the record as to certain patents filed.  
 " 19, " Copy of Order in General Electric Co. case filed.  
 " 21, " Opinion filed and entered granting Petition to dismiss.  
 " 24, " Order of Court dismissing bill filed and entered.  
 Mar. 1, 1917. Petition of Defendant for rehearing filed and entered.

26 In the District Court of the United States for the Western District of Pennsylvania, May Term, 1916.

In Equity.

No. 80.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS MANUFACTURING COMPANY, Plaintiffs,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Bill of Complaint.*

To the Honorable the Judges of the United States District Court for the Western District of Pennsylvania:

Your orators, Niels A. Christensen and Allis-Chalmers Manufacturing Company, bring this their bill of complaint against the Westinghouse Traction Brake Company, and thereupon your orators complain and state:

First. Plaintiff Niels A. Christensen is and at all times hereinafter mentioned has been a citizen and resident of the United States and of the State of Wisconsin; and plaintiff, Allis-Chalmers Manufacturing Company, is and since 1913 has been a corporation duly created, existing and doing business under and by virtue of the laws of and a citizen of the State of Delaware, and having its general office in the city of Milwaukee, Wisconsin. Defendant Westinghouse Traction Brake Company is and at all times hereinafter mentioned has been a corporation duly organized, created, existing and doing

27 business under and by virtue of the laws of the State of Pennsylvania, and having its general office and place of business in the City of Pittsburgh, in said Western District of Pennsylvania.

Second. That heretofore on or about the 30th day of December, 1896, the plaintiff, Niels A. Christensen, a resident of said city of Milwaukee, being then and there the true, original and first inventor or discoverer of a certain new and useful improvement in combined pumps and motors not known or used by others in this country before his invention or discovery thereof, and not patented or described in any printed publication in this or any foreign country before his invention or discovery thereof, or more than two years prior to his hereinafter mentioned application for patent therefor and not in public use or on sale in this country for more than two years prior to his said application, and not having been abandoned by him, and no application for a foreign patent for said invention or discovery having been filed more than twelve months prior to the filing of the said application in this country, duly made application to the Commissioner of Patents of the United States for the exclusive grant and monopoly for a term of seventeen years for and of said invention of a certain new and useful improvement in combined pumps and motors, under and agreeably to the Acts of Congress, and, as evidence of said grant and monopoly requested Letters Patent of the United States, all in accordance with the then existing laws of Congress; and having fully complied in all respects with the requirements of said laws, thereupon and on the 21st day of March, A. D. 1899, the said application of the plaintiff, Niels A. Christensen, was duly granted by the Patent Office of the United States and a

28 contract was thereby entered into and fully consummated between the plaintiff, Niels A. Christensen, and the United States covering and embracing said exclusive grant and monopoly for the full term of seventeen years from and after said 21st day of March, A. D. 1899; that said contract secured to said Christensen the exclusive right to make, vend and use his said invention for said term of seventeen years from March 21, 1899.

That to evidence said contract between the United States and the plaintiff Christensen, Letters Patent of the United States, No. 621,324, dated March 21, A. D. 1899, and signed, sealed and executed in due form of law for the said invention, were issued to the plaintiff Christensen, and which said letters patent were then and there intended to evidence the said exclusive grant and monopoly and the full and exclusive right of the plaintiff Christensen and his heirs and assigns, to make, use and sell under said contract the said invention throughout the United States and the territories thereof for the full term of seventeen years from and after March 21, 1899, as will more fully appear by the said letters patent, or a copy thereof duly certified from the records of the Patent Office, and in this court to be produced.

Third. That on or about September 16, 1899, the plaintiff Christensen discovered that the said Letters Patent No. 621,324 evidencing his said contract with the United States as to said new and useful

improvement or invention in combined pumps and motors contained a discrepancy and was inaccurate in the particulars hereinafter stated, and being advised that the same might be construed to be in some particular or particulars defective, refused to accept said letters patent as proper evidence of said exclusive grant and returned the same to the Commissioner of Patents, and, with said refusal to

accept and the return of said letters patent, the plaintiff

29 Christensen petitioned said Commissioner of Patents, representing that he was the person to whom said Letters Patent No. 621,324 for combined pump and motor were issued on March 21, 1899, upon application serial No. 617,464, filed December 30, 1896; that in response to an action by the Patent Office, dated June 7, 1898, requiring division of said application on the ground that it contained two separate and independent inventions, two amendments dated July 1, 1898, were filed July 18, 1898, wherein and whereby sheet 2, containing figures 3 and 4 of the drawing, was eliminated and the description of said figures and of the subject matter therein shown was cancelled; that upon such amendments, said application was allowed on August 24, 1898; that said patent issued thereon as aforesaid did not conform with the record in the Patent Office in that it contained the second sheet of drawings with figures 3 and 4 which was eliminated by one of the aforesaid amendments and that said figures 3 and 4 and the subject matter therein shown are not described in the specifications of said letters patent, the description thereof having been stricken out in conformity with the other amendment above mentioned; and requesting that, for the reasons aforesaid, said Letters Patent No. 621,324 be cancelled and that new letters patent be issued to him in conformity with the record of the case in the Patent Office; that said figures 3 and 4 shown on said sheet 2 of drawings then and there belonged to an application for a patent then pending in said Patent Office, being serial No. 686,266 and upon which letters patent to the plaintiff Christensen thereafter issued No. 680,842, dated August 20, 1901; that said return of Letters Patent No. 621,324 was made for the sole and only purpose of securing a correction therein by having said sheet 2 eliminated from the drawing attached thereto; that in

30 making said petition and returning said letters patent, the plaintiff Christensen did not intend or undertake to, and did not in any way, surrender his said contract with the United States or his said exclusive grant and monopoly to make, use and vend his said invention or in any other way abate, limit, restrict, or waive any of the rights, privileges and estate which he had and possessed, or which he was entitled to have and possess, under his said contract, grant, and monopoly; that thereafter and on the 17th day of October, 1899, such proceedings were had in the United States Patent Office and by the Commissioner of Patents of the United States that the request of the petition of the plaintiff Christensen was granted and said Commissioner of Patents then and there undertook or pretended to cancel said Letters Patent No. 621,324 evidencing said contract, exclusive grant, and monopoly and to issue in lieu thereof to the plaintiff Christensen Letters Pat-

ent of the United States No. 635,280, bearing date October 17, 1899, evidencing said contract, grant, and monopoly and purporting to grant to the plaintiff Christensen and to his heirs and assigns, for a term of seventeen years from and after the date thereof, to wit, the 17th day of October, 1899, the full and exclusive right of making, using, and selling his said invention throughout the United States and the territories thereof, as will more fully appear by the said letters patent or a copy of the same duly certified from the records of the Patent Office and in this court to be produced.

That said Letters Patent No. 635,280 were received by the plaintiff Christensen on or about October 17, 1899, and are identically the same as the said Letters Patent No. 621,324 save and except only that in said last numbered patent, the said sheet 2, being figures 3 and 4, was eliminated and said last numbered patent purported to be for a term of seventeen years from and after its date of issuance, to wit, the 17th day of October, A. D. 1899, instead of for a  
31 term of seventeen years from and after the date of the first numbered letters patent, to wit, the 21st day of March, A. D. 1899.

Fourth. The plaintiffs further allege that said exclusive grant and monopoly, to the plaintiff Christensen for said new and useful improvement in combined pumps and motors, was for a period of seventeen years only from and after March 21, 1899; that ever since the acceptance of the plaintiff Christensen's said application and its allowance by the Patent Office of the United States, said contract hereinbefore described has been and is now valid and in full force and effect, irrespective of whether said contract was or is evidenced by said Letters Patent No. 621,324 or said Letters Patent 635,280; that the plaintiffs hereby expressly disclaim, waive, and relinquish for purposes of this suit any and all claims to any grant and to any and all damages on account of infringement or otherwise from and after the expiration of seventeen years from and after said March 21, 1899, regardless of whether said Letters Patent No. 635,280 shall be held by the courts to be valid or otherwise.

Fifth. And plaintiffs further allege that the mistake in said Letters Patent No. 621,324 evidencing said grant and monopoly to the plaintiff Christensen was the mistake solely of the Patent Office of the United States and arose in no way through the act or fault of the plaintiffs or either of them, and that neither of the plaintiffs is in any way responsible for or chargeable with any error which may have been committed, or which the Court may find to have been committed, by said Patent Office in attempting and assuming to cancel said first numbered patent, in making said correction and  
32 in attempting and assuming to issue and in issuing the second numbered patent for the term therein mentioned; that if it should be determined by the Court that said last numbered patent is invalid for the reason that the same was issued for a longer time than the term to which the plaintiff Christensen is entitled to have his said exclusive grant and monopoly, then, and in such case, the attempted action of the said Commissioner of Patents and of the



Patent Office of the United States in attempting and assuming to cancel said Patent No. 621,324 was and is wholly void and of no force and effect and that said first numbered patent therefore is now, and at all times since its issuance, has been, valid and in full force and effect, and that the said return thereof by the plaintiff Christensen for correction as aforesaid did not constitute a surrender or abandonment of his said invention or of his said exclusive grant and monopoly or of any of his rights, interests, and estates therein or thereby created; and that the plaintiff Christensen in such case is entitled to a return of said first numbered patent and to judgment and decree of the court that, with or without such return, said first numbered patent is now, and ever since its said issuance has been, in all respects valid and in full force and effect.

Sixth. That heretofore, on or about the 18th day of July, 1898, the said Christensen, being then the true, original and first inventor or discoverer of a certain new and useful improvement in valves for compressors, not known or used by others in this country before his invention or discovery thereof, and not patented or described in any printed publication in this or any foreign country before his invention or discovery thereof, or more than two years prior to his herein-after mentioned application for patent therefor, and not in public use or on sale in this country for more than two years prior  
33 to his said application, and not having been abandoned by him, and no application for a foreign patent for said invention or discovery having been filed more than twelve months prior to the filing of the said application in this country, duly made application to the Commissioner of Patents of the United States for letters patent in accordance with the then existing Act of Congress in that behalf; and having in all respects complied with the conditions and requirements of said Acts of Congress, thereupon, on the 20th day of August, 1901, the said application of the said Christensen was duly granted by the Patent Office of the United States, by virtue of which there was granted and secured to the said Christensen, his heirs or assigns, or intended so to be for the terms of seventeen years after the date of said letters patent, the full and exclusive right of making and using, and vending to others to be used, said improvements set forth in said letters patent, as by said letters patent or a duly certified copy thereof, here in court to be produced, will more fully appear.

Seventh. That by virtue of the premises, the said Christensen became, ever since has been, and now is, the sole and exclusive owner of said improvements in valves for compressors, and of said letters patent, subject to a certain license granted to the Allis-Chalmers Company as hereinafter stated.

Eighth. Plaintiffs further allege that on or about the 7th day of May, A. D. 1906, the plaintiff Christensen, for a valuable consideration, entered into a written contract with the Allis-Chalmers Company, the predecessor of plaintiff Allis-Chalmers Manufacturing Company, wherein and whereby the said Christensen gave an exclusive license, for a royalty therein mentioned and provided, to said Allis-

34 Chalmers Company to make and use and sell to others, to be used, the combined pumps and motors and valves for compressors described in said contract and said letters patent, and each of them, in all the States of the United States and the territories thereof; that prior to the commencement of this action said license together with the right to recover profits and damages for past infringement was duly assigned to plaintiff, Allis-Chalmers Manufacturing Company and it is now the owner thereof; that the plaintiff Christensen has ever since been, and still continues to be, the owner of said contract, exclusive grant, and monopoly, and of said letters patent and each of them, and of all rights therein, except the license now owned by said Allis-Chalmers Manufacturing Company; that the plaintiffs are entitled to an injunction against the wrongs and injuries committed by the defendant hereinafter mentioned and to all profits realized by the defendant from the infringing acts and to all damages arising from said infringing acts of the defendant hereinafter mentioned.

That since the plaintiff Christensen became the owner of said letters patent as aforesaid, both he and the said Allis-Chalmers Manufacturing Company have invested and expended large sums of money and have been to great trouble in and about said invention, and for the purpose of carrying on the business of manufacturing and selling machines containing the said inventions, and making the same profitable to themselves and useful to the public; that said inventions have ever been and are of great benefit, utility, and advantage to the public; that a large number of such machines were made by the plaintiff Christensen and his licensees and sold by said Christensen and said licensees to great advantage to the public; that the public, ever since said exclusive grant to the plaintiff Christensen, has had due notice that

35 said motor compressors, valves, articles and apparatus are made under said grants or monopolies and have been and are marked by fixing thereon the word "Patented," together with the day and year of the issuance of said patents numbered respectively 635,280 and 680,842; that the public has known, widely recognized and acquiesced in the validity of said exclusive grants and monopolies to said Christensen, in the utility and advantages of said improvements and in the aforesaid exclusive title and rights of the plaintiffs and each of them thereto and therein; and the plaintiffs allege, on information and belief, that the defendant has received and is now receiving large gains, advantages, and profits therefrom, but to what extent, and how much exactly, the plaintiffs do not know and pray a discovery thereof.

Ninth. Plaintiffs further allege that the defendant has well known all the facts hereinbefore set forth, but nevertheless contriving to injure the plaintiffs and each of them, and to deprive them of the profits, benefits and advantages which might and otherwise would have accrued to the plaintiffs from the said exclusive grants and monopolies or any of them, whether evidenced by said letters patent or any of them, or otherwise, the defendant after October 17, 1899, and within six years prior to the institution of this suit, and within the district within which this suit is brought, without the license of

the plaintiffs or either of them, and against the plaintiffs' will and the will of each of them, and in violation of the rights and estate of each of them in and to said grants and monopolies, unlawfully and wrongfully made, used and sold, ever since has continued, and still continues unlawfully and wrongfully to make use and sell devices or apparatus in large quantities and on an extensive scale which embody the inventions or discoveries claimed in and covered by the plaintiff Christensen's said exclusive grants, monopolies and contracts, or either of them; that the inventions and discoveries claimed in and covered by the plaintiff Christensen's said patents are capable of embodiment and as made, used and sold by defendant as aforesaid are embodied in one and the same unitary structure and device; that the defendant intends and is threatening to continue to make said infringing devices and apparatus which embody the said inventions or discoveries of the plaintiff Christensen or either of them, in large quantities, and is fully prepared so to do, and to supply the market therewith, and to sell and vend the same; that the defendant has, ever since the commencement of this said action, as well as prior thereto, refused and still refuses, to pay to the plaintiffs, or either of them, any of the profits which have been made, or which may be made, by such unlawful and wrongful manufacture, use and sale, or to desist from the further infringement of said exclusive grants and monopolies to the plaintiff Christensen, all of which acts are in violation and in defiance of the rights acquired by and secured to the plaintiffs as aforesaid, and to their great and irreparable loss and injury and by which they have been and still are being deprived of great gains and profits which they might and otherwise would have obtained, and which have been received and enjoyed, and are still being received and enjoyed by the defendant by and through its aforesaid unlawful and wrongful acts and doings.

Tenth. Plaintiffs further allege that the use of said inventions by the defendant and its preparation for continuing and avowed determination to continue the same, and its other aforesaid unlawful and wrongful acts in disregard and defiance of the rights of the plaintiffs have the effect to and do encourage or induce others to infringe or attempt to infringe said exclusive grant and monopoly to said Christensen in disregard of the plaintiffs' said rights.

Eleventh. Plaintiffs further allege that, prior to the institution of this action, they caused due notice to be given to the defendant of said infringements and of the rights of the plaintiffs in the premises and requested it, said defendant, to desist and refrain therefrom, but the defendant has ever since disregarded said notice and refused to desist from said infringements, and, with full knowledge, but in defiance of the plaintiffs' said rights, still continues to make and sell said patented machines and to infringe the said inventions and exclusive grants and contracts of the plaintiff Christensen.

Wherefore, the plaintiffs pray:

(1) That said exclusive grant and monopoly to said Christensen and contract between the United States and said Christensen for said new and useful improvement in combined pumps and motors for the term of seventeen years from and after March 21, 1899, be by the Court in all respects adjudged to be valid and in full force and effect; and that the title and respective rights of the plaintiffs therein and thereto be adjudged by the Court to be as hereinbefore alleged in this bill of complaint.

(2) That said Letters Patent No. 635,280 be held by the Court to be evidence of said grant, monopoly and contract for said terms of seventeen years from and after March 21, 1899, and be limited expressly to that time in accordance with the waiver hereinbefore made and pleaded and irrespective of any language to the contrary in said letters patent contained, and that said letters patent, when so restricted, be in all respects held to be valid and in full force and effect.

(3) That if the Court shall adjudge said Letters Patent No. 635,280 not to be capable of being restricted or limited to the extent and in the particular specified in the preceding subdivision hereof, and to be null and void ab initio, then, in  
38        *and in* such event, the Court adjudge and decree that the acts of the Commissioner of Patents and of the Patent Office of the United States in attempting to cancel said Letters Patent No. 621,324, were and are wholly ineffective and null and void ab initio and that said Letters Patent No. 621,324 are now, and ever since their said issuance on March 21, 1899, have been in all respects valid and in full force and effect and evidence of the said existing exclusive grant to said Christensen and contract between the United States and the plaintiff Christensen; and the judgment and decree of this Court be entered herein that the plaintiff Christensen is entitled to have said Letters Patent No. 621,324 dated March 21, 1899, forthwith returned by said Patent Office to said Christensen, and that, with or without such return, said judgment and decree of the Court shall stand and operate in all respects in lieu thereof.

(4) That said Letters Patent No. 680,842, may be declared to be valid and that the title and respective rights of the plaintiffs therein and thereto be adjudged by the Court to be as hereinbefore alleged in this bill of complaint, and that the manufacture, use and sale of said valves for compressors by the defendant may be declared to be an infringement of said letters patent.

(5) That a writ or writs of subpoena ad respondendum may issue, directed to the said defendant, Westinghouse Traction Brake Company, commanding it to appear and answer unto this bill of complaint on a day certain therein to be named (but not under oath, an answer under oath being hereby expressly waived) and to obey and perform such order and decree in the premises as to the

Court may seem meet and may be required by the principles of Equity and good conscience.

39 (6) That the defendant may be decreed to account for and pay to the plaintiffs the profit or income unlawfully and wrongfully derived from the violation of the plaintiffs' said rights, and, that upon entering the decree against the defendant for infringement, the Court may proceed to assess or cause to be assessed under its direction, in addition to the unlawful profits or income to be accounted for by the defendant as aforesaid, the damages plaintiffs have sustained by reason of such infringement and that the Court may increase the actual damages so assessed to a sum equal to three times the amount of such assessment, under the circumstances of the unlawful and unjust infringement by the defendant as hereinbefore set forth.

(7) That a writ of injunction may be issued from and under the seal of the Court, perpetually restraining the defendant, its clerks, attorneys, servants, agents, workmen, and officers, and each and every of them, from any further manufacture, use, or sale in any manner of said patented improvements or either of them or any part thereof, in violation of said plaintiffs' rights, and that the infringed devices or apparatus in the possession or use of the defendant may be decreed to be destroyed or delivered to the plaintiffs for that purpose.

(8) That a provisional preliminary injunction may be issued restraining the defendant, its clerks, attorneys, servants, agents, workmen, and officers, and each and every of them, from any further manufacture, use, or sale in any manner of said patented improvements or either of them or any part thereof, pending this cause.

(9) That the plaintiffs have and recover of the defendant their costs and disbursements herein, and that such other and further relief may be granted and decreed to the plaintiffs as the  
40 equity of the case may require and to the Court may seem meet.

Dated Milwaukee, Wisconsin, March 10, 1916.

NIELS A. CHRISTENSEN, *Plaintiff*.  
 LINES, SPOONER, ELLIS & QUARLES,  
*Solicitors for Said Plaintiffs, Pabst*  
*Building, Milwaukee, Wisconsin.*  
 REED, SMITH, SHAW & BEAL,  
*Solicitors for Plaintiffs, 1021 Carnegie*  
*Building, Pittsburgh, Pennsylvania.*

JOSEPH B. COTTON,  
 WILLET M. SPOONER,  
 WILLIAM R. RUMMLER,  
*Of Counsel.*

STATE OF NEW YORK,  
*City of New York, County of New York,*  
*Borough of Manhattan, ss:*

Niels A. Christensen, being first duly sworn, says that he is one of the plaintiffs in the above entitled cause; that he makes his verification on behalf of himself and on behalf of his coplaintiff, the Allis-Chalmers Manufacturing Company, the corporation described in the foregoing bill of complaint; that he has read said bill of complaint and knows the contents thereof and that the same is true of his own knowledge except as to the matters therein alleged upon information and belief, and as to those matters he believes it to be true.

NIELS A. CHRISTENSEN.

41       Subscribed and sworn to before me, a Notary Public, in and for said county and State this 10th day of March, A. D. 1916.

C. W. KING,

*Notary Public, Kings County, No. 157.*

Kings County Register's No. 7073.  
 New York County Clerk's No. 187.  
 New York County Register's No. 7181.  
 Commission expires March 30, 1917.

*Subpoena in Equity.*

In the District Court of the United States for the Western District of Pennsylvania.

UNITED STATES OF AMERICA,  
*Western District of Pennsylvania, ss:*

The United States of America to Westinghouse Traction Brake Company, a corporation and citizen of the State of Pennsylvania:

We command you and every of you, that you appear before the judges of the District Court of the United States for the Western District of Pennsylvania, at the City of Pittsburgh, in the said district, to answer the bill of complaint of Niels A. Christensen, a citizen of the State of Wisconsin, and Allis-Chalmers Manufacturing Company, a corporation and citizen of the State of Delaware, for infringement of letters patent filed in the Clerk's Office of said Court in the City of Pittsburgh, in said district, then and there to receive and abide by such judgment and decree as shall then and thereafter be made, upon pain of judgment being pronounced against you by default.

42       And this you are in no wise to omit, under such penalties as are inflicted by the laws of the United States.

Witness, the Honorable, the Judges of the District Court of the United States for the Western District of Pennsylvania, at the City of Pittsburgh, this 11th day of March, A. D. 1916, and in the 140th year of the Independence of the United States of America.

[SEAL.]

J. WOOD CLARK,

*Clerk.*

MEMORANDUM.—The defendant in this case — required to file answer or other defense in the Clerk's Office of said Court on or before the twentieth day after service excluding the day thereof; otherwise the Bill may be taken pro confesso.

J. WOOD CLARK,

*Clerk.*

LINES, SPOONER, ELLIS & QUARLES,  
REED, SMITH, SHAW & BEAL,

*Solicitors for Complainants.*

*Return on Service of Writ.*

UNITED STATES OF AMERICA,

*Western District of Pennsylvania, ss:*

I hereby certify and return that I serve the annexed Subpoena in Equity on the therein-named Westinghouse Traction Brake Company by handing to and leaving a true and attested copy thereof with E. H. Craig, Manager and Chief of Sales in charge of Westinghouse Traction Brake Company at Pittsburgh, Pa., in said District on the 13th day of March, A. D. 1916.

JOSEPH HOWLEY,

*U. S. Marshal,*

By THOMAS P. CAMPBELL,

*Deputy.*

Service, \$2.00.

43 District Court of the United States for the Western District of Pennsylvania, May Term, 1916.

In Equity. No. 80.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS MANUFACTURING COMPANY, Plaintiffs,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Answer.*

Westinghouse Traction Brake Company, defendant, in answer to the bill of complaint of Niels A. Christensen and Allis-Chalmers Manufacturing Company, plaintiffs, says:

(1) Defendant admits the granting to the plaintiff Christensen of Patents No. 621,324 on March 21, 1899, No. 635,280 on Octo-



ber 17, 1899, and No. 680,842 on August 20, 1901; but defendant is without knowledge of the incorporation of the Allis-Chalmers Company or the corporate existence of the plaintiff Allis-Chalmers Manufacturing Company, or the alleged written contract of license from plaintiff Christensen to the Allis-Chalmers Company or an assignment of the said license agreement, together with the right to recover profits and damages for past infringement, to plaintiff, Allis-Chalmers Manufacturing Company, or whether the plaintiff Christensen is the owner of said patents, or whether the machines alleged to be manufactured and sold by the plaintiff Christensen and his licensees were marked "patented" in accordance with section 498 of the Revised Statutes.

44 (2) Defendant denies that it has ever made, used or sold, or intends to make, use or sell, any of the inventions covered by said patents, or intends to make, use or sell the inventions covered by said Patent No. 680,842; and defendant also denies that plaintiff even notified it of its alleged infringement, as asserted in paragraph eleventh of the bill.

(3) Defendant avers that Patent No. 635,280 is void, being issued without warrant of the law, by reason of the previous grant of Patent No. 621,324, for the same invention.

(4) Defendant avers that Patents Nos. 621,324 and 635,280 are void, because the alleged invention claimed therein was patented prior to the patentee's supposed invention or discovery thereof, in the following United States patents:

- No. 13,816, to Clark, dated November 20, 1855.
- No. 209,673, to Grillenberger, dated November 5, 1878.
- No. 301,967, to Cumming, dated July 15, 1884.
- No. 395,722, to Thorne, dated January 8, 1889.
- No. 439,792, to Storey, dated November 4, 1890.
- No. 443,020, to Ward, dated December 16, 1890.
- No. 461,799, to Westinghouse & Bayley, dated October 20, 1891.
- No. 555,376, to Hunt, dated February 25, 1896.
- No. 313,008, to Lynn, dated February 24, 1885.
- No. 550,330, to Rennerfelt, dated November 26, 1895.
- 45 No. 556,713, to Geisler, dated March 17, 1896.
- No. 538,335, to Wessels & Lee, dated October 22, 1895.

And in the following French patent:

No. 148,004, March 20, 1884, to Megy.

(5) Defendant avers that the Patents Nos. 621,324 and 635,280 are void, because the alleged invention claimed therein was described prior to the patentee's supposed invention or discovery thereof, in the following printed publications:

Electrical World, Vol. 21, p. 380, May 20, 1893, article entitled "Duplex Electric Sinking Pump."

Electric Engineer, Vol. 16, pp. 37-8, July 12, 1893.

Electrical Engineer, Vol. 21, p. 52, January 8, 1896, article entitled "New Standard Air Brake Compressor."

Electrical Engineer, Vol. 21, pp. 474-5, article entitled "Standard Air Brake Apparatus."

Street Railway Journal, Vol. 10, pp. 319-80, article entitled "Genett Improved Air Brakes."

Street Railway Journal, Vol. 10, pp. 319-20, October 15, 1896.

(6) Defendant avers that Patents Nos. 621,324 and 635,280 are void, for the reason that the patentee was not the original, first and sole inventor or discoverer of the thing patented therein or any material and substantial part thereof, but that the same was in public use at the following places and by the following persons:

By the Standard Air Brake Company of New York, at New York, N. Y., Philadelphia, Pa., and on the cars of Washington, Alexandria and Mt. Vernon Railway at Alexandria, Va., and on the cars of the Bedford, Akron & Cleveland Railway at Cuyahoga Falls, Ohio; and such use was known to E. J. Wesels, residing at New York, N. Y.; H. P. Merriam, residing at New York, N. Y.; W. E. Christ, residing at New York, N. Y.; C. Howels, residing at Washingtonville, N. J.; O. A. Sandborg, residing at East Pittsburgh, Pa.; R. W. Baker, B. Crandorf and W. Meily, residing at West Rochelle, N. J.; B. P. Flint and C. E. Abbott, residing at Washington, D. C., and J. C. Colvin, residing at Webster P. O., Wayne County, Ind.

By the Genett Air Brake Company at Chicago, Ill., and said use was known to George E. Baker and M. L. Rothschild, residing in New York, N. Y.

By the Thomson-Houston Electric Company at Lynn, Mass., and the General Electric Company at Schenectady, N. Y., and such use was known to Maxwell M. Day, residing at Schenectaday, N. Y., and to other persons whose names defendant has not yet ascertained.

By the General Electric Company on the Intermural Railway at the World's Fair at Chicago, Ill., in 1893, and such use was known to several persons whose names and residences defendant has not yet ascertained.

(7) Defendant avers that Patents Nos. 621,324 and 635,280 are void, for the reason that the thing claimed therein did not involve invention but was merely a double use of old and well-known apparatus.

(8) Defendant avers that the Patents Nos. 621,324 and 635,280 are void, for the reason that the thing claimed therein is a mere aggregation not involving patentable quality.

(9) Defendant avers that Patent No. 680,842 is void, because the alleged invention claimed therein was patented prior to the patentee's supposed invention or discovery thereof, in the following United States patents:

No. 116,008, to Lungen, dated July 4, 1871.

No. 261,019, to Merrick & Melcher, dated July 11, 1882.

No. 283,955, to Bennett, dated August 28, 1883.

No. 287,005, to Cullingsworth, dated October 23, 1883.

No. 309,991, to Steinberger, dated December 30, 1884.

- N. 351,257, to Lugen, dated October 26, 1886.  
 N. 487,964, to Clayton, dated November 29, 1892.  
 No. 552,926, to Reynolds, dated January 14, 1896.  
 No. 554,604, to Morgan, dated February 11, 1896.  
 No. 559,908, to Prescott, dated May 12, 1896.  
 No. 546,591, to Hunt, dated September 17, 1895.  
 No. 579,775, to Sergeant, dated March 30, 1897.  
 No. 516,532, to Hill, dated March 13, 1884.

And in the following French patent:

No. 167,965, March 30, 1885, to Karting.

(10) Defendant avers that if the claims of the patents in suit could be held to be valid to cover the structures shown and described in the said patents any construction of said claims as would include the machines manufactured by the defendant, would render  
 48 the said patents void by reason of anticipation by the prior art, as illustrated in the prior patents, publications and use set up in previous paragraphs of this answer.

(11) Defendant further answering says that since the year 1901, it has continuously and extensively manufactured and sold various forms of combined pump and motor, and that such manufacture and sale has been open and notorious and that it has built up an extensive business in the same throughout the United States; that plaintiffs have had full knowledge of such open and extensive manufacture and sale but have asserted no adverse right in the patents here in suit with respect to such manufacture and sale by the defendant until shortly prior to the filing of this suit; and that plaintiffs are now estopped by their long acquiescence in such manufacture and sale from asserting that the same is an infringement of the patents in suit and have been guilty of such laches as concludes it against any right of relief in equity.

Defendant therefore submits that the plaintiffs have no ground of action nor right to any relief against this defendant and prays to be hence dismissed with its costs.

WESTINGHOUSE TRACTION BRAKE COMPANY,  
 By H. H. WESTINGHOUSE,  
*President.*

JAMES K. BAKEWELL,  
*Solicitor for Defendant.*  
 THOMAS B. KERR,  
 I. U. SYNNESVEDT,  
*Counsel for Defendant.*

49 CITY OF NEW YORK,  
*County of New York, State of New York, ss:*

On this 15th day of April, 1915, before me appeared H. H. Westinghouse, who, being duly sworn, deposes and says that he is the president of the Westinghouse Traction Brake Company, the defendant herein; that he has read the foregoing answer and knows the

contents thereof and that the same is true to the best of his knowledge and belief.

[SEAL.]

HARRY D. HENSCHER,  
*Notary Public.*

New York County No. —.

New York Register No. —.

Term Expires March 30, 1917.

In the District Court of the United States, Western District of Pennsylvania.

In Equity. No. 80.

NEILS A. CHRISTENSEN and ALLIS-CHALMERS MANUFACTURING COMPANY, Plaintiffs,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Amendment to Bill of Complaint.*

And now come the plaintiffs, and with leave of Court first had and obtained, amend their bill of complaint herein as follows:

First. In the 16th line of page 8, after the words "the said application of the said Christensen was duly granted by the Patent Office of the United States," insert:

"Letters Patent of the United States, numbered 680,842, signed, sealed and executed in due form of law for the said invention, were granted to said Neils A. Christensen."

Second. In paragraph ninth, page 11, beginning in line 12, and extending through line 19, strike out the part reading as follows:

"that the inventions and discoveries claimed in and covered by the plaintiff Christensen's said patents are capable of embodiment and as made, used and sold by defendant as aforesaid are embodied in one and the same unitary structure and device; that the defendant intends and is threatening to continue to make such infringing devices and apparatus which embody the said inventions or discoveries of the plaintiff Christensen or either of them, in large quantities."

and substitute therefor the following:

" \* \* \* that the inventions and discoveries claimed in and covered by the plaintiff Christensen's said Patents No. 635,280 and 680,842, are capable of embodiment and as made, used and sold by defendants as aforesaid are in some instances embodied in one and the same unitary structure and device; that the defendant intends and is threatening to continue to make said infringing devices and apparatus which embody the said inventions or dis-

coveries, or either of them, of the plaintiff Christensen, in large quantities. \* \* \*

Third. At the end of the ninth paragraph on page 12, insert:

Ninth (a).

That heretofore, on or about the 21st day of March, 1904, the said Niels A. Christensen, being then the true, original and first inventor or discoverer of a certain new and useful improvement in compressor valves not known or used by others in this country, and not patented or described in any printed publication in this or any foreign country before his invention or discovery thereof, and not more than two years prior to his hereinafter mentioned application for a patent therefor and not in public use or on sale in this country for more than two years prior to his said application, and not having been abandoned by him, and no application for foreign patents for said invention or discovery having been filed more than twelve months prior to the filing of the said application in this country, duly made application to the Commissioner of Patents of the United States for letters patent in accordance with the then existing Acts of Congress in that behalf, and having duly complied in all respects with the conditions and requirements of said Acts of Congress, thereupon, on the 9th day of March, 1909, Letters Patent of the United States, signed, sealed and delivered in due form of law for the said invention or discovery were issued to him and numbered 914,699, by virtue of which there was granted and secured to the said Christensen, his heirs or assigns, or intended so to be, for a term of seventeen years after the date of said letters patent, the full and exclusive right of making and using and vending to others to be used, the said improvements set forth in said letters patent, as by said letters patent or a duly certified copy thereof here in court to be produced will more fully and at large appear.

Ninth (b).

That, therefore, on or about the 8th day of May, 1901, the said Niels A. Christensen, being then the true, original and first inventor or discoverer of a certain new and useful improvement in electric machines not known or used by others in this country, and not patented or described in any printed publication in this or any foreign country before his invention or discovery thereof, and not more than two years prior to his hereinafter mentioned application for a patent therefor, and not in public use or on sale in this country for more than two years prior to his said application and not having been abandoned by him and in application for foreign patents for said invention or discovery having been filed more than twelve months prior to the filing of the said application in this country, duly made application to the Commissioner of Patents of the United States for letters patent in accordance with the then existing Acts of Congress in that behalf, and having

duly complied in all respects with the conditions and requirements of said Acts of Congress, thereupon, on the 8th day of March, 1904, Letters Patent of the United States, signed, sealed and delivered in due form of law for the said invention or discovery were issued to him and numbered 753,954, by virtue of which there was granted and secured to the said Christensen, his heirs or assigns, or intended so to be, for a term of seventeen years after the date of said letters patent, the full and exclusive right of making and using and vending to others to be used, the said improvements set forth in said letters patent, as by said letters patent or a duly certified copy thereof here in court to be produced will more fully and at large appear.

#### Ninth (c).

That by virtue of the premises the said Christensen became, ever since has been, and now is the sole and exclusive owner of each of said letters patent and of the inventions and improvements described herein, and of all the rights and privileges granted  
 53 and secured or intended to be granted and secured thereby, subject to the aforesaid license granted to the Allis-Chalmers Company; and that since he became the owner of said letters patent as aforesaid, both he and his licensee have invested and expended large sums of money and have been put to great trouble in and about said inventions, and for the purpose of carrying on the business of manufacturing and selling machines containing the said inventions or either of them, and making the same profitable to each of the plaintiffs and useful to the public, and that said inventions have been and are of great benefit and advantage, and that a large number of machines embodying one or both of said inventions were made and sold by plaintiffs to great advantage to themselves and to the public, and that the public, ever since the exclusive grant to the plaintiff Christensen, has had due notice that said compressor valves and said electric machines were each made under its respective grant or monopoly aforesaid and they have been and are marked by fixing thereon the word "patented," together with the day and year of the issuance of the said patent or patents thereon; and that the public generally have acknowledged and acquiesced in the aforesaid rights of plaintiffs; and the plaintiffs are informed and believed and allege the fact to be, that the defendant has received and is now receiving large gains, advantages and profits from said inventions and each of them, but to what extent and how much exactly the plaintiffs do not know and pray a discovery thereof.

#### Ninth (d).

Plaintiffs further allege that defendant has well known all the facts hereinbefore set forth, but nevertheless, contriving to injure  
 54 the plaintiffs and each of them, and to deprive them of the profits, benefits and advantages which might and otherwise would have accrued to the plaintiffs from the said exclusive grants and monopolies, the defendant after March 9, 1909, and

within six years prior to the institution of this suit, and within the district within which this suit is brought, without the license of plaintiffs or either of them, against the plaintiffs' will and the will of each of them, and in violation of the rights and estate of each of them, in and to said grant and monopoly of said Patent No. 914,699, unlawfully and wrongfully made, used and sold, and ever since has continued and still continues unlawfully and wrongfully to make, use and sell devices or apparatus in large quantities and on an extensive scale which embody the invention or discovery claimed in and covered by the plaintiff Christensen's said Letters Patent No. 914,699, and the exclusive right to make, use and sell which is by law vested in the plaintiffs aforesaid, and that the defendant after March 8, 1904, and within six years prior to the institution of this suit, and within the district within which this suit is brought, without the license of plaintiffs or either of them, against the plaintiffs' will and the will of each of them, and in violation of the rights and estate of each of them in and to said grant and monopoly of said Patent No. 753,954, unlawfully and wrongfully made, used and sold, and ever since has continued and still continues unlawfully and wrongfully to make, use and sell devices or apparatus in large quantities and on an extensive scale which embody the invention or discovery claimed in and covered by the plaintiff Christensen's said Letters Patent No. 753,954, and the exclusive right to make, use and **sell which is by law vested in the plaintiffs aforesaid**; that the inventions and discoveries claimed in and covered by the plaintiff

Christensen's said Patent No. 914,699 and as made, used  
55 and sold by defendant as aforesaid, are in some instances embodied in the same unitary structure with the combined pump and motor structure of the plaintiff's hereinbefore mentioned Patent No. 635,280; and that the inventions and discoveries claimed in and covered by the plaintiff Christensen's said Patent No. 753,954 as made, used and sold by defendant as aforesaid, are in some instances embodied in the same unitary structure with valves of said Patent No. 680,842 and in some instances with valves of said Patent No. 914,699 and also in some instances with the invention of plaintiff's hereinbefore mentioned Patent No. 635,280; that the defendant intends and is threatening to continue to make said infringing devices and apparatus which embody the said inventions or discoveries of each of the aforesaid patents, in large quantities, and is fully prepared so to do, and to supply the market therewith and to sell and vend the same; that the defendant has, ever since the commencement of this said action, as well as prior thereto, refused, and still refuses to pay to the plaintiffs or either of them any of the profits which have been made or which may be made by such unlawful and wrongful manufacture, use and sale, or to desist from the further infringement of said patents or any of them, all of which acts are in violation and defiance of the rights acquired by and secured to the plaintiffs aforesaid, and to their great and irreparable loss and injury, by which they have been and still are being deprived of great gains and profits which they might and otherwise would have obtained and which have been received and enjoyed, and are still being



received and enjoyed by the defendant by and through its aforesaid unlawful and wrongful acts and doings.

Defendant hereby acknowledges receipt of a copy of the foregoing amendment, and consents to the entry of an order of court permitting the bill of complaint to be amended as hereinbefore set forth, and is hereby agreed that defendant shall have until June 1st to answer the bill as thus amended.

THOMAS B. KERR,  
*Of Counsel for Defendant.*  
WILLIAM R. RUMMLER,  
*Of Counsel for Plaintiffs.*

Dated May 15, 1916.

Endorsed.

And now, to wit, May 25, 1916, the within amendment to the bill of complaint presented in open court and it appearing that counsel for defendant consents thereto, it is ordered filed, and that defendant shall have until June 1 to answer the bill as thus amended.

PER CURIAM.

In the District Court of the United States, Western District of Pennsylvania.

In Equity. No. 621.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS MANUFACTURING  
COMPANY, Plaintiffs,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Answer to Amendment to the Bill of Complaint.*

12. As to the amendment to the ninth paragraph of the bill of complaint defendant repeats the denial of infringement and alleged threat of infringement contained in paragraph 2 of its original answer.

13. Defendant admits the granting to the plaintiff Christensen of Letters Patent No. 914,699 on March 9, 1909, and Letters Patent No. 753,954 on March 8, 1904; but defendant is without knowledge of the alleged license to the Allis-Chalmers Company or whether the plaintiff Christensen is the owner of said patents, or whether the machines alleged to be manufactured and sold by plaintiffs under the said patents were marked "patented" in accordance with section 4900 of the Revised Statutes, and denies that it was ever notified by the plaintiffs of its alleged infringement of either of the said patents as required by the statute as a basis of recovery under said section.

14. Defendant avers that Patent No. 753,954, is void for the reason that the patentee was not the original, first and sole inventor or discoverer of the thing patented therein, or any material and substantial part thereof, but that the same was in public use by the following persons at the following places:

By the Standard Air Brake Company of New York, at New York and at other places.

By the Third Avenue Railroad Company of New York, N. Y., at New York, N. Y.

And such use was known to the following persons:

E. J. Wessels, residing at New York, N. Y.

H. P. Merriam, residing at New York, N. Y.

G. E. Baker, residing at New York, N. Y.

E. H. Dawson, residing at New York, N. Y.

J. R. Ellicott, residing at New York, N. Y.

J. F. Ames, residing at New York, N. Y.

R. A. Jencks, residing at New York, N. Y.

Wm. N. Austin, residing at East Pittsburgh, Pa.

By the General Electric Company of Schenectady, N. Y., and Lynn, Mass., at Schenectady and Lynn aforesaid, and on the  
58 - Nantasket Beach Branch of the New York, New Haven & Hartford R. R. at Boston, Mass., and on the Lake Street Elevated R. R. at Chicago, Ill., and at other places in the United States.

And such use was known to the following persons:

W. B. Potter, residing at Schenectady, N. Y.

E. D. Priest, residing at Schenectady, N. Y.

C. C. Pierce, residing at Boston, Mass.

Samuel H. Libbey, residing at Bloomfield, N. J.

R. C. Augur, residing at Mahwah, N. J.

C. A. Rice, residing at New York, N. Y.

J. N. Bulkley, residing at New York, N. Y.

Merritt Electric Air Brake Company of New York, N. Y., at New York, N. Y. and

By the Coney Island & Brooklyn Railway at Brooklyn, N. Y., and at other places.

And such use was known to the following persons:

Frank W. Merritt, residing at Duluth, Minn.

M. P. Wilkins, residing at New York, N. Y.

S. W. Hough, residing at Brooklyn, N. Y.

J. W. Killeen, residing at Hartwick, N. Y.

Westinghouse Air Brake Company of Pittsburgh, Pa., at Pittsburgh and at other places.

And such use was known to the following persons:

H. H. Westinghouse, residing at New York, N. Y.

E. M. Herr, residing at Pittsburgh, Pa.

A. England, residing at Pittsburgh, Pa.

P. Lobey, residing at Wilmerding, Pa.

A. Johnson, residing at Los Angeles, Cal.

59 15. Defendant avers that Patent No. 753,954 is void, because the alleged invention claimed therein was patented

prior to the patentee's supposed invention or discovery thereof in the following United States patents:

- No. 313,007, February 24, 1885, M. N. Lynn.
  - No. 443,020, December 16, 1890, R. G. Ward.
  - No. 579,526, March 23, 1897, G. Westinghouse.
  - No. 582,233, May 11, 1897, Rites.
  - No. 593,571, November 16, 1897, T. J. Fay.
  - No. 593,718, November 16, 1897, T. J. Fay.
  - No. 597,532, January 18, 1898, W. F. Singer.
  - No. 598,814, February 8, 1898, M. Reid.
  - No. 635,280, October 17, 1899, N. A. Christensen.
  - No. 644,852, March 6, 1900, C. Eickemeyer.
- And in the following British patent:
- No. 20,216 of 1900, to Frederic De Mare.

16. Defendant avers that said Patent No. 753,954 is void because the alleged invention claimed therein was described prior to the patentee's supposed invention or discovery thereof in the following printed publications:

- Transactions of the Society of Naval Architects and Marine Engineers, Vol. VII, 1899, pp. 79 and 80, and plates 9 and 10.
- American Machinist, Vol. XXI, 1898, pp. 38222, May 26, 1898, "A Portable Electrically Driven Air Compressor."
- Electrical Review, Vol. XXXVII, pp. 292-293, September 19, 1900, "A New Electric Air-Brake System."
- Street Railway Journal, Vol. XV, pp. 257-258, April, 1899, "Air Brakes With Motor Compressor for New York."
- 60 Engineering News, Vol. XLII, pp. 398 and 399, December 21, 1899, "A Small Motor-Driven Air Compressor."
- Street Railway Review, pp. 652-653, October 15, 1896, "Latest in Air Brakes."
- Electrical Review, Vol. XXXI, p. 186, October 20, 1897, "Modern Compressors for Air-Braking."
- Street Railway Journal, Vol. XIII, p. 50, January, 1897, "New Standard Air Compressor."
- Electrical Engineer, Vol. XXI, pp. 474-475, May 6, 1896, "The 'Standard' Air Brake Apparatus."
- Western Electrician, Vol. XXVI, pp. 419-420, June 30, 1900.

17. Defendant avers that Patent 753,954, if construed to cover defendant's machines, is void, because the alleged invention claimed therein was invented by H. H. Westinghouse and E. M. Herr prior to the date of said Christensen's alleged invention thereof, and was patented to said Westinghouse and Herr in United States Patent No. 761,735, applied for June 6, 1900, and granted June 7, 1904.

18. Defendant avers that the said Patent 753,954 is void for the reason that the thing claimed therein was not patentable in that it did not involve the quality of invention in view of the prior state of the art as illustrated in prior uses, patents and publications set up in previous paragraphs of the answer and of this amendment to the answer, and the well-known and common practices and structures embodied in the construction of steam and electrical motor

generator and compressor sets, and the common practices and usages in the machinery arts.

61 19. Defendant avers that Patent No. 914,699 is void because the alleged invention claimed therein was patented prior to the patentee's supposed invention or discovery thereof in the following United States patents:

- No. 116,608, July 4, 1871, Lungen.
- No. 141,454, August 5, 1873, Naylor.
- No. 261,019, July 11, 1882, Meyrick and Melcher.
- No. 268,347, November 28, 1882, Wood and Richmond.
- No. 283,955, August 28, 1883, Bennett.
- No. 287,005, October 23, 1883, Cullingworth.
- No. 290,911, December 25, 1883, Mixer.
- No. 309,991, December 30, 1884, Steinberger.
- No. 315,475, April 14, 1885, Burke.
- No. 340,222 April 20, 1886, Leneauches.
- No. 461,779, October 20, 1891, Westinghouse and Bailey.
- No. 487,064, November 29, 1892, Clayton.
- No. 515,282, February 20, 1894, Brotherhood.
- No. 516,532, March 13, 1894, Hill.
- No. 552,926, January 14, 1896, Reynolds.
- No. 554,604, February 11, 1896, Morgan.
- No. 546,591, September 17, 1895, Hunt.
- No. 579,775, March 30, 1897, Sergeant.
- No. 591,008, October 5, 1897, Reynolds.
- No. 587,450, August 3, 1897, Olson.
- No. 680,842, August 20, 1901, N. A. Christensen.
- No. 681,921, September 3, 1901, Lewis.
- No. 687,335, November 26, 1901, Reynolds.
- No. 713,687, November 18, 1902, Robinson.
- No. 717,029, December 30, 1902, Reynolds.
- No. 719,142, January 27, 1903, Reynolds and Robinson.
- 62 No. 754,162, March 8, 1904, Reynolds.
- No. 761,735, June 7, 1904, Westinghouse and Herr.

20. Defendant avers that said Patent 914,699 is void because the alleged invention claimed therein was described prior to the patentee's supposed invention or discovery thereof in the following foreign patents:

- British Patent 6727 of 1887, Meldam.
- German Patent 68,304 of April, 1893, Belleville Publication Industrielle, plate 22, Vol. 26, also Vol. 31, Fig. 4, plate 6.

21. Defendant avers that the said Patent No. 914,699 is void in that the thing claimed therein was not patentable in that it did not involve the quality of invention in view of the prior state of the art as illustrated in the prior uses, patents and publications set up in previous paragraphs of the answer, and this amendment to the answer and in the common practices of the art to which it belongs and closely related arts.

22. Defendant further answering says, that for more than ten years last past it has continuously and extensively manufactured and sold various forms of combined pumps and motor embodying suction valves such as it now uses and the principles of construction which are now claimed to be an infringement of the patents set up in the amendment to the bill; that such manufacture and sale has been open and notorious and that it has built up an extensive business in the same throughout the United States; that plaintiffs have had full knowledge of such open and extensive manufacture and sale, but have asserted no adverse rights under the patents set up in the amendment to the bill, Nos. 914,669 and 753,954, with respect to such manufacture and sale by the defendant until  
 63 after the filing of the original bill in this suit; and that plaintiffs are now estopped by their long acquiescence in the manufacture and sale from asserting that the same is an infringement of the patents in suit, and have been guilty of such laches as excludes them from any rights in equity against this defendant thereunder.

Defendant, therefore, submits that the plaintiffs have no ground of action or right to any relief against this defendant under its amendment to the bill in this cause, and prays to be hence dismissed with its costs.

WESTINGHOUSE TRACTION BRAKE COMPANY,  
 By HENRY H. WESTINGHOUSE,  
*President.*

JAMES K. BAKEWELL,  
*Solicitor for Defendant.*  
 THOMAS B. KERR,  
 PAUL SYNNEVEDT,  
 E. A. WRIGHT,  
*Counsel for Defendant.*

STATE OF NEW YORK,  
*County of New York, City of New York, ss:*

On this 29th day of May, 1916, before me appeared H. H. Westinghouse, who, being duly sworn, deposes and says that he is the president of the Westinghouse Traction Brake Company, the defendant herein; that he has read the foregoing answer and knows the contents thereof and that the same is true to the best of his knowledge and belief.

M. LAWSON DYER,  
*Notary Public, New York County, N. Y.*

64 United States District Court, Western District of Pennsylvania, May Term, 1916.

In Equity. No. 80.

NIELS A. CHRISTENSEN et al., Plaintiffs,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Motion to Amend Bill.*

And now, to wit, January —, 1917, comes the defendant and moves the Court that the answer in this case may be amended by adding to the list of United States patents set up as anticipations of Patent No. 680,842 in suit, the following:

No. 340,222, Lancauches, dated April 20, 1886.

Also by adding to the list of United States patents set up in paragraph 19 as anticipations of Patent No. 914,699 in suit, the following, to wit:

No. 356,597, January 25, 1887, Mitchell.

Also by adding to the said answer the following paragraph, to wit:

23. Defendant further answering says that the said Patent No. 914,699 in suit is void for the reason that it was on sale and put into public use in this country by the said Christensen and the Christensen Engineering Company for more than two years before his application for patent, and it is so ordered.

\_\_\_\_\_  
*United States Judge.*

Plaintiffs consent to the foregoing amendment and order.

WILLIAM R. RUMMLER,  
*Of Counsel for Plaintiffs.*

January 5, 1917.

In the District Court of the United States for the Western District of Pennsylvania, May Term, 1916.

In Equity. No. 80.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS MANUFACTURING COMPANY, Plaintiffs,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Stipulation.*

It is hereby stipulated by and between the parties to the above entitled suit, that plaintiffs' time for taking depositions under rule 7 be extended to September 15, 1916.

WILLIAM R. RUMMLER,  
*Of Counsel for Plaintiffs.*  
THOMAS B. KERR,  
*Of Counsel for Defendant.*

July 24, 1916.

In the District Court of the United States for the Western District of Pennsylvania.

In Equity. No. 80.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS COMPANY, Plaintiffs,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Appearance.*

to the Clerk of said Court:

Please enter my appearance as counsel for plaintiffs.

WILLIAM R. RUMMLER,  
1212 Tribune Building, Chicago, Ill.



66 In the District Court of the United States for the Western District of Pennsylvania.

In Equity. No. 80.

NIELS A. CHRISTENSEN et al., Plaintiffs,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Stipulation.*

It is hereby stipulated that plaintiffs' time for taking deposition may be extended to November 1, 1916.

WILLIAM R. RUMMLER,  
Of Counsel for Plaintiffs,  
THOMAS B. KERR,  
R.,  
Of Counsel for Defendant.

September 12, 1916.

In the District Court of the United States for the Western District of Pennsylvania, May Term, 1916.

In Equity. No. 80.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS MANUFACTURING COMPANY, Plaintiffs,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Amendment to Answer and Defendant's Counter-Claim.*

And now, to wit, on motion of James K. Bakewell, Esq., solicitor for defendant, leave is granted to the defendant to amend  
67 its answer by setting up a counter claim of infringement as follows, to wit:

23. The defendant, by way of counterclaim, avers that it is the legal owner of Letters Patent of the United States No. 861,488, granted on July 30, 1907, to William L. Waters, assignor to the National Brake and Electric Company, for a new and useful improvement in motor compressors; that, as defendant is informed and believes, many of the machines which the bill of complaint and the amendment thereto state have been made and sold by the plaintiffs, embody the invention set forth in said Patent No. 861,488, and particularly in claims 17 and 18 thereof, and infringe upon defendant's rights thereunder; that defendant has been damaged and plaintiffs have made large profits by such infringement; and the

plaintiffs are continuing to make and sell such machines in further infringement of defendant's rights under the said patent.

Defendant, therefore, prays for a decree against plaintiffs, granting an injunction against further infringement, an account of damages and profits by reason of their said infringement, and such other relief as the case may require.

*United States Judge.*

PITTSBURGH, July 27, 1916.

Messrs. Reed, Smith, Shaw & Beal:

Please take notice that I shall present the foregoing motion before Judge Thompson on Wednesday, August 9, at 10 o'clock A. M.

JAMES K. BAKEWELL,

*Solicitor for Defendant.*

Service acknowledged this 27th day of July, 1916.

REED, SMITH, SHAW & BEAL,

*Solicitors for Complainants.*

District Court of the United States, Western District of Pennsylvania, May Term, 1916.

In Equity. No. 80.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS MANUFACTURING COMPANY, Plaintiffs,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Affidavit of H. H. Westinghouse.*

STATE OF NEW YORK,

County of Seneca, ss:

Before me, the undersigned authority, personally appeared H. H. Westinghouse, who, being duly sworn, deposes and says that he is the president of the Westinghouse Traction Brake Company, the defendant above; that the defendant was openly and extensively engaged for more than ten years in the manufacture of the motor-driven air compressors which the plaintiffs now claim to be infringements of the patents set up in this suit, without notice or claim on the part of the plaintiffs that the said machines manufactured by it were infringements of any of the patents in suit. The present suit was brought on March 11, 1916, within ten days of the expiration of plaintiffs' patent 635,280, and it was not until after the answer was filed and the defendant was engaged in taking depositions de bene esse, to wit, about May 15, 1916, that plaintiffs came forward with a further claim of infringement against defendant

under two other letters patent, to wit, Nos. 753,954 and 914,696  
Thereupon defendant consented to the amendment of the  
69 bill, including said additional patents, said amendment be-  
ing filed May 15, 1916, and on June 1st following filed in  
answer to said amended bill, defendant being advised that, under  
the new rule in equity, plaintiffs might join as many causes of ac-  
tion as they might have against defendant. Since that date the de-  
fendant has taken de bene esse a large amount of testimony of wit-  
nesses residing beyond the jurisdiction of the court, bearing upon  
said Patents 635,280 and 753,954, and has been diligent through-  
out its counsel and experts in looking up matters of defense preparatory  
to the cause. In this connection deponent was informed by coun-  
sel, on or about the 1st instant, that some of the machines manu-  
factured and sold by the plaintiffs, as stated in the bill of complaint  
and the amendment thereto, were covered by some of the claims of  
Patent 861,488, granted to William L. Walters, assignor to the  
National Brake and Electric Company on July 30, 1907, for im-  
provements in motor compressors, and that under the equity rule  
any claim for such infringement should be set up as a counter-  
claim in the present suit. Thereupon deponent instructed defend-  
ant's counsel to take proper steps to assert a counter-claim against  
the plaintiffs for the infringement of said Waters patent, and I am  
advised that this has been done by the preparation of an additional  
paragraph to the amended answer and of motion papers for leave  
to file the same.

Deponent further says that the matter of infringement of the  
Waters patent by the plaintiffs was not known to him, nor, as he  
is informed and believes, to any other officer of the defendant com-  
pany, until it was brought to his attention and that of the other  
officers of the company by counsel, and that he is informed and  
believes that the discovery of the fact was due to the investigations  
of counsel made in preparation for the trial of the cause, and that  
when the fact was brought to his attention he instructed counsel  
immediately to take such action in the matter as in their  
70 opinion was necessary to vindicate the rights of the de-  
fendant therein.

H. H. WESTINGHOUSE.

Subscribed and sworn to before me this 26th day of July, 1916.

LEWIS CHURCH.

*Notary Public.*

In the District Court of the United States, Western District of Pennsylvania, May Term, 1916.

In Equity. No. 80.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS MANUFACTURING COMPANY, Plaintiffs,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Opinion.*

THOMSON, J.:

This is a motion on the part of defendant for leave to amend its answer by setting up a counter-claim of infringement. Suit is brought for infringement of certain patents, one for an improvement in combined pumps and motors, and the other for an improvement in valves for compressors. These patents are owned by the plaintiff

Christensen, under which the plaintiff Allis-Chalmers Manufacturing Company has an exclusive license. The defendant now asks leave to bring into the suit, by way of counter-claim, a charge of infringement against the plaintiffs of its patent or a new and useful improvement in motor compressors.

Defendant's right to counter-claim for infringement of its patent depends on the proper interpretation of rule 30 of the General Rules in Equity, which reads as follows:

"The answer must state in short and simple form any counter-claim arising out of the transaction which is the subject-matter of the suit, and may, without cross-bill set out any set-off or counter-claim against the plaintiff which might be the subject of an independent suit in equity against him, and such set-off or counter-claim so set up shall have the same effect as a cross-suit, so as to enable the court to pronounce a final judgment in the same suit both on the original and cross claims."

The wording of this rule has resulted in conflicting opinions as to its true meaning. Some Judges have given to the rule a very broad interpretation, holding that the first part of the rule is mandatory and the second part permissive; that the words "counter-claim arising out of the transaction which is the subject-matter of the suit" cover broadly all matters which theretofore could have been pleaded by cross-bill; and that the word "counter-claim" as used in the second or permissive part of the rule includes all cross-claims upon which the defendant might sue the plaintiff in equity even if having no connection whatever with the plaintiff's cause of action. This broad interpretation of the rule is maintained by Judge Chatfield in *Marconi Wireless Telegraph Co. v. National Electric Signalling Co.*, 206 Fed. 295; by Judge Lacombe in *Vacuum Cleaner Co. v. American Rotary Valve Co.*, 208 Fed. 419; and by

72 Judge Rellstab in *Electric Boat Co. v. Lake Torpedo Boat Co.*, 215 Fed. 377. On the other hand, it has been held that the word "counter-claim" in the paragraph "may, without cross-bill set out any set-off or counter-claim against the plaintiff which might be the subject of an independent suit in equity against him," applies only to a counter-claim proper; that is, such as could properly be set up by cross-bill, the subject-matter of which grows out of and the relief sought depends upon the subject-matter of the plaintiff's bill. This view is held by Judge Dodge in *Terry Steam Turbine Co. v. Sturtevant Co.*, 204 Fed. 103, and in *Klauder-Weldon Dyeing Machine Co. v. Giles*, 212 Fed. 452; by Judge Geiger in *Adamson v. Shaler*, 208 Fed. 566, and in *Atlas Underwear Co. v. Cooper Underwear Co.*, 210 Fed. 347; by Judge Carpenter in *Kawneer Mfg. Co. v. Hester Mfg. Co.*, Equity No. 130, Northern Dist. of Illinois, and by Judge Thomas in the District of Connecticut in *Sydney v. Mugford Printing & Engraving Co.*, 214 Fed. 841. The reasoning of Judge Dodge and those with him who have adopted the more restricted application of the rule, appears to me as the more logical. It seems to be reasonably clear that the purpose of the rule is to require the setting up in the answer of all matters which could formerly be brought in by cross-bill only. As there is a clearly recognized distinction between a set-off and a counter-claim in equity, it must be assumed that when the rule used both words, they were used not interchangeably or as synonymous, but with their true distinction in view. A counter-claim is one which the defendants might assert against the plaintiff in the same suit, the cross-bill being brought either to aid in the defense of the original suit or to obtain a complete determination of the controversies between the original complainant and the cross-complainant over the subject-matter of the original bill. And

73 if this is not its purpose, it is not a cross-bill. The term "counter-claim" or "cross-bill" in equity having a definite legal meaning, it can hardly be supposed that the Court in drafting the rule used it in two different senses; the first in its ordinary and accepted signification, that is, a claim "arising out of the transaction which is the subject-matter of the suit"; the second, without any such limitation, thus practically effecting a very radical change in the law as to what could be pleaded by way of counter-claim. It is to be assumed that if such radical change were intended, it would have been expressly and plainly declared. I do not think the wording of the rule justifies this conclusion. Giving proper effect to the words "without cross-bill" and the words "shall have the same effect as a cross-bill," it seems reasonably clear that the answer was intended to perform the function of a cross-bill, making the cross-bill no longer necessary, the matter thus pleaded in the answer having the same effect as the cross-suit. This could not be true if the defendant is permitted in effect to file an original bill by way of counter-claim having no connection with the subject of the original bill.

There is also force in the position of Judge Geiger, that if the rule were intended to so enlarge the scope of equity procedure as to per-

mit the defendant to incorporate in his answer causes of action not related nor germane to the subject of the bill, then rule 31 should have the necessary provisions to enable the plaintiff to obtain such affirmative relief, as, were the defendant proceeding by original bill, the complainant could obtain, formerly by cross-bill, now by counter-claim. There is plainly no provision in rule 31 for such set-off or counter-claim on the part of the plaintiff, unless it is intended to be embraced in the word "reply." Certainly, this at least is very doubtful.

74 I am, therefore, of opinion that the words "and may, without cross-bill, set out any set-off or counter-claim against the plaintiff which might be the subject of an independent suit in equity against him," apply only to such counter-claims as arise out of the transaction which is the subject-matter of the suit. Nor do I think in the case at bar that the averment in the proposed counter-claim that "defendant is informed and believes, many of the machines which the bill of complaint and the amendment thereto state have been made and sold by the plaintiffs, embody the invention set forth in said Patent No. 861,488, and particularly in claims 17 and 18 thereof, and infringe upon defendant's rights thereunder," would entitle the defendant to assert the same against the plaintiff in a cross-bill. It does not go to the question of defendant's infringement of plaintiff's patents, nor do I conceive that it would be any answer to plaintiff's prayer for injunctive relief. If some portion of plaintiff's machine not covered by his patents infringes the patent of the defendant, that would form the basis of a separate and independent suit against him. It could only affect the incidental question of damages to which the plaintiff is entitled, his right of recovery being limited to the infringing, exclusive of the noninfringing, elements of the articles of defendant's manufacture and sale.

For the foregoing reasons, the defendant's motion is denied.

75 In the District Court of the United States, Western District of Pennsylvania.

In Equity. No. 80.

NIELS A. CHRISTENSEN et als., Plaintiffs,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Stipulation.*

1. That on December 30, 1896, the plaintiff Christensen made an application for a patent of the United States for a combined pump and motor; the said application contained two sheets of drawings; during the proceedings in the Patent Office one of these sheets of drawings was cancelled by the applicant; the application was allowed and the patent issued on March 21, 1899. As issued, the Patent No. 621,324 contained the said cancelled sheet of drawings;

on September 16, 1899, Christensen returned the said patent to the Commissioner of Patents, calling attention to the mistake, and demanded that a patent be issued in accordance with the record; thereupon an order was made by the Commissioner of Patents that the seal of said patent be broken and the same returned to the file, marked "Cancelled," and that a patent conforming to the record should be issued. Thereupon a new patent, No. 635,280, was issued to Christensen on October 17, 1899, without the cancelled sheet of drawings, for a full term of seventeen years from October 17, 1899, and was for the same invention as the Patent No. 621,324, issued on March 21, 1899; the remaining drawings, specification and claims being the same in both patents.

2. The following named catalogues and pamphlets were issued by the defendant, Westinghouse Traction Brake Company, on the respective dates specified, and that each of the illustrations on the respective pages thereof correctly represents certain structures manufactured and sold by defendant, Westinghouse Traction Brake Company, without the license or consent of either of the plaintiffs (unless the court finds that the plaintiffs acquiesced in the defendant's manufacture and sale of such machines) within the Western District of Pennsylvania and elsewhere in the United States, within the period of six years next before the filing of the bill of complaint herein, after the date of issuance of each of the patents sued upon, before the date of the respective catalogues in which said structures are illustrated as aforesaid; said catalogues, dates and pages of the illustrations respectively being as follows:

Westinghouse Instruction Pamphlet No. T5035, dated April, 1908.  
Insert following page 28.

Marked Plaintiffs' Exhibit 10.

Westinghouse Instruction Pamphlet No. T5001, dated August, 1913, on pages 9 and 31.

Marked Plaintiffs' Exhibits 13 and 14.

Westinghouse Instruction Pamphlet No. T5002, dated August 1911, on pages 4 and 5.

Marked Plaintiffs' Exhibits 11 and 12.

Part catalog No. 3504-1, June, 1912.

Marked Plaintiffs' Exhibit No. 15.

Supplement No. 7, August, 1914.

Marked Plaintiffs' Exhibit 16.

4. The illustrations on the respective pages 46 and 47 of the publication of the Westinghouse Air Brake Company, entitled "Westinghouse Compressors, Special Publication No. 9012, dated November, 1912, marked Plaintiffs' Exhibits Nos. 8 and 9," correctly represent certain structures manufactured and sold by defendant Westinghouse Traction Brake Company without the license or consent of either of the plaintiffs (unless the court finds that the plaintiffs acquiesced in the defendant's manufacture and sale of such machines) within the Western District of Pennsylvania and elsewhere in the United States, within the period of six years



next before the filing of the bill of complaint herein, after the date of issuance of each of the patents sued upon, before the date of said catalogue publication.

(Recess until 10 o'clock tomorrow morning, October 27.)

United States District Court, Western District of Pennsylvania,  
May Term, 1916.

In Equity. No. 80.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS MANUFACTURING  
COMPANY, Plaintiffs,  
v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

To the Clerk of Court:

Permission of the Court having been obtained, please continue  
this case to May term, 1917.

JAMES K. BAKEWELL,  
*Solicitor for Defendant.*

Pittsburgh, November 11, 1916.

78 In the District Court of the United States, Western  
District of Pennsylvania.

In Equity. No. 80.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS MANUFACTURING  
COMPANY, Plaintiffs,  
v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

On Patents Nos. 635,280, 680,842, 914,699, and 753,954.

*Stipulation.*

It is hereby stipulated by and between the respective parties that  
each party shall furnish to the other a copy of all depositions taken  
in its behalf, without making any charge therefor before the de-  
cision of the case, but the cost of such copies, as well as of the origi-  
nal, shall be taxed as part of the costs of the suit, and that an order of  
court may be entered in accordance herewith.

WILLIAM R. RUMMLER,  
*Of Counsel for Plaintiffs.*  
EDWARD S. WRIGHT,  
*Of Counsel for Defendant.*

December 12, 1916.

WR/M.

*Order of Court.*

(Filed December 22, 1916.)

And now, to wit, December 22, 1916, the within stipulation as to the cost of copy of depositions presented in open court and ordered to be filed.

PER CURIAM.

79 In the District Court of the United States for the Western District of Pennsylvania.

In Equity. No. 80.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS MANUFACTURING COMPANY, Plaintiffs,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Affidavit of Niels A. Christensen.*

UNITED STATES OF AMERICA,

*Western District of Wisconsin, County of Milwaukee, ss:*

Niels A. Christensen being first duly sworn on oath says that he is one of the plaintiffs in the above-entitled action; that his co-complainant has always refused and does now refuse to bear any part of the burden of the litigation, and the conduct of the litigation depends solely upon deponent's activities.

That he is advised by his counsel and verily believes the fact to be that his action against the defendant is meritorious and that in the proper prosecution of said action he should be so financed as to be enabled to defer expenses of material witnesses upon the trial and to obtain for hire, plus expenses, certain expert testimony whom, as he has been advised and verily believes, will be material witnesses, but that deponent is and for many months last past has been without sufficient funds to defray the expenses and fees of said material witnesses which as he is advised and believes are necessary to prosecute said action.

80 That deponent has for many months last past been making persistent and diligent efforts to secure funds to enable him to carry on the above-entitled suit by the execution of his personal obligation secured by an assignment pro tanto of his interest in a certain judgment against the National Brake and Electric Company, a subsidiary of the Westinghouse Traction Brake Company, the above-named defendant, reviewed and affirmed by the Circuit Court of Appeals in 229 Fed. 564, but he has been unable so to do.

Deponent respectfully states that in his opinion and in the opinion of his counsel he cannot, without endangering the prosecution of this action to a successful conclusion proceed to trial at this time.

That he has appealed to attorneys for defendant requesting a continuance for from four to eight weeks in the trial of the action above entitled, but that defendant refused to consent.

Deponent makes this affidavit in support of an application to be submitted to this Honorable Court respectfully praying a continuance of the trial of this action for a period of six weeks or thereabouts.

That he makes this affidavit in good faith and respectfully prays that the application above referred to, be granted by the Court.  
 NIELS A. CHRISTENSEN.

Subscribed and sworn before me this 18th day of January, 1917.  
 GEORGE G. GOETZ,

*Notary Public, Milwaukee County, Wisconsin.*

81 In the District Court of the United States, Western District of Pennsylvania.

In Equity. No. 80.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS MANUFACTURING COMPANY, Plaintiffs,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Affidavit of William R. Rummeler.*

UNITED STATES OF AMERICA,  
 Northern District of Illinois, County of Cook, ss:

William R. Rummeler, being first duly sworn, on oath says as follows:

I am one of the attorneys for the plaintiffs in the above-entitled action, and have charge of conducting plaintiffs' case with respect to the issues of validity of the patents involved and their alleged infringement. There are three patents involved in said suit, two of them being for combined pumps and motors, and one for a compressor valve. A large amount of testimony has been taken on behalf of each of the parties. This suit was begun in March of last year, and during all of the time since then there has also been pending a suit of the said plaintiffs against the National Brake and Electric Company of Milwaukee, Wisconsin, in which said suit an interlocutory decree was entered finding infringement of one of the combined

82 pump and motor patents involved in the above-entitled suit, and ordering an accounting to ascertain the amount of profits realized by the said National Brake and Electric Company by reason of said infringement and the amount of damages sustained by the plaintiffs.

The depositions in the above-entitled case show that the stock of the National Brake & Electric Company is owned and controlled by the same persons or concern as is the stock of the defendant in the

above-entitled case, or that both companies are subsidiaries of or controlled by the Westinghouse Air Brake Company. In connection with said accounting proceedings it has been necessary for me to frequently leave my office in Chicago and attend upon said proceedings which were held in Milwaukee, under the orders of the District Court of the United States, Eastern District of Wisconsin. I attended such proceedings at Milwaukee on the following named dates: December 1, 6, 7, 8, 9 and 26, 1916, and on January 10, 13, 15 and 16, 1917. A considerable amount of preparation was necessary in these proceedings, which consumed additional time and attention both at Milwaukee and Chicago. Said accounting proceedings involve the question of infringement of a large number of different constructions made by the defendant, that is, about fourteen different constructions, eleven of which are claimed by the defendant not to be within the terms of the patent in suit and in regard to which a controversy is pending on the accounting. Considerable testimony was taken by each of the parties in said accounting proceedings. The proceedings have been vigorously contested, and the arguments as to such infringement were not concluded until January 16, 1917.

Although defendant's counsel, Mr. Thomas B. Kerr, notified me by letter dated December 27, that he would expect to bring this case on for trial in the latter part of January, and on January 3rd  
83 telegraphed me that it would probably be reached for trial on January 22nd, I did not, prior to January 17th, receive any notice that an application to have the case set for trial had been made to the court, or would be made at any fixed time when I could be heard in opposition thereto. Immediately upon the conclusion of my argument in the accounting proceedings on January 16th, I telegraphed Mr. Kerr that I would not be ready for trial on January 22nd, and asked him to agree to a postponement for six weeks. It has been impossible for me to prepare for the trial of the above-entitled case within the time which I have had at my disposal for such preparation. It will be impossible for me to properly prepare for the trial of said case by January 23rd, when I am advised it is expected to bring this case on for trial, and I believe that it will require at least six weeks from this date for me to properly prepare for such trial in addition to attending to my other necessary duties.

In view of the numerous questions involved in this suit, and the large amount of testimony which has already been taken, I am informed and believe that a great amount of the court's time will be saved both on the trial of the case in open court and on the arguments thereof if the trial be postponed for at least six weeks from this date.

WILLIAM R. RUMMLER.

Subscribed and sworn to before me this 18th day of January, 1917.

[SEAL.]

MARY R. HOPKINS,

*Notary Public.*

My commission expires May 23, 1918.

84 In the District Court of the United States, Western District of Pennsylvania.

In Equity. No. 80.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS MANUFACTURING COMPANY, Plaintiffs,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Affidavit of Joseph B. Cotton.*

STATE OF NEW YORK,  
County of New York, ss:

Joseph B. Cotton, being first duly sworn, deposes and says as follows:

I am a practicing attorney and counsellor at law, and have been practicing in various State and Federal courts, including the Supreme Court of the United States, for upwards of twenty-five years. I reside in Duluth, Minnesota, and have an office in the city of New York, State of New York, as well.

I am one of the attorneys and of counsel for the plaintiffs in the above-entitled action. For the last two months I have been literally swamped with work in the city of New York, and my business engagements, which I am unable to postpone, are such that it is not possible for me to be present in Pittsburgh, Pennsylvania, upon the hearing of a motion by the plaintiffs for a continuance of said cause, and said engagements over which I do not have control  
85 are such that it is absolutely impossible for me to attend and take part in the trial of this cause if the same is to commence on January 23, 1917.

Mr. William R. Rummeler, of Chicago, Illinois, who is a patent lawyer of many years' experience, has charge of the patent end of the plaintiffs' case, and I am advised and believe that he has been so engaged in court work in Illinois and elsewhere as to be unable to make preparation for the trial of this case if the same is to commence January 23, 1917.

I am advised that the notice of trial herein was very short, and I do not feel that the plaintiffs can with safety or with justice to their cause proceed to trial on the date hereinbefore mentioned.

This case has been pending only a short time in this Honorable Court, and I believe that no rights or interests of the defendant will be in any way prejudiced or affected by a reasonable postponement of the trial in order that thorough preparation may be had and the actual trial expedited thereby. I make this affidavit in support of the plaintiffs' application for continuance, and pray that such continuance may be granted.

JOSEPH COTTON.

Subscribed and sworn to before me this nineteenth day of January, 1917.

[SEAL.]

ALFRED J. PRICE,  
Notary Public, N. Y. Co., No. 140,  
N. Y. Co. Register's No. 8114.

Commission expires March 30, 1918.

86 In the District Court of the United States, Western District of Pennsylvania.

In Equity. No. 80.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS MANUFACTURING COMPANY, Plaintiffs,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Motion to Dismiss Bill.*

To the Honorable Judge of said Court:

Your petitioners, the plaintiffs herein, having exhibited their bill in this honorable court against the above-named defendant, who has appeared and put in his answer thereto, are, since the filing of the same, advised to dismiss the said bill. Wherefore, they pray that the said bill may stand dismissed out of this court without prejudice. These plaintiffs present herewith a stipulation duly executed by their duly authorized attorneys, agreeing that all depositions hitherto taken in this cause may be used in any subsequent or other pending litigation between the above plaintiffs and defendant.

RUMMLER & RUMMLER,  
REED, SMITH, SHAW & BEAL,  
LINES, SPOONER, ELLIS & QUARLES,  
*Solicitors for Plaintiffs.*

JOHN G. FRAZER,  
WM. R. RUMMLER,  
*Of Counsel.*



87 In the District Court of the United States, Western District of Pennsylvania.

In Equity. No. 80.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS MANUFACTURING COMPANY, Plaintiffs,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Stipulation.*

It is hereby stipulated by and between the parties to the above entitled suit that all depositions hitherto taken in this cause may be used in any other subsequent or pending litigation between the above named plaintiffs and defendant.

February 9, 1917.

WM. R. RUMMLER,  
*Of Counsel for Plaintiffs.*

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Of Counsel for Defendant.

88 In the District Court of the United States for the Eastern District of Pennsylvania.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS MANUFACTURING COMPANY, Plaintiffs,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Affidavit of Niels A. Christensen.*

STATE OF WISCONSIN,  
Milwaukee County, ss:

Niels A. Christensen, being first duly sworn on oath, deposes and says that he is one of the plaintiffs in the above-entitled action and owns the title to the patents set forth in the complaint herein; that he has been unable to raise funds for the use in the prosecution of these cases which he verily believes and which on advice of his counsel he respectfully asserts are meritorious claims against the defendant; that in the past several months he has made persistent efforts to obtain financial assistance to the end that he might adduce testimony adequate to substantiate the claims of his complaint and to meet defensive tactics; that he has not been able to accumulate funds for the purpose of taking testimony which his attorneys advise him is necessary or to pay the travelling expenses and other fees and expenses incident to the proper preparation of his case for trial;



that negotiations during the past six or eight weeks and longer have been under way, a successful conclusion of which might have enabled affiant to make the preparation referred to, but that such negotiations have failed; that affiant during this litigation and such work as has been done by way of appearing at the taking of testimony on the part of defendant and some testimony in his own behalf on the part of his attorneys has been unable to pay  
80 and never has paid for the services of his attorneys any sum whatever owing to lack of funds as above set forth, that affiant sees no immediate prospect for obtaining money and has reached a point in this litigation where, as before stated, funds are necessary.

Affiant further alleges that he is making constantly new and further efforts to negotiate a loan; that he has a judgment on a patent (similar to one here involved) against the National Brake & Electric Company, a Wisconsin corporation (a subsidiary of the defendant Westinghouse Company, in that the Westinghouse Company owns the stock of the said National Brake & Electric Company) and obtained a decree of infringement in said action, but said action has been for a long period of time on accounting before a Master appointed by the United States District Court for the Eastern District of Wisconsin; that there has been long and continued delays upon the part of the defendant therein and constant questions arising requiring further delays, arguments et cetera; that the account thus far rendered, although incomplete, was started on the seventh day of March, 1916; and shows substantial sums due plaintiff, but he is and has been unable to realize on them and is advised that defendant therein is preparing to contest many points of law in said accounting, to take appeals which will consume considerable time as affiant is advised; that affiant is advised that defendant has been and is pressing the action above entitled for trial and is advised by his attorneys that he is not adequately or properly prepared to proceed to trial.

Affiant makes this affidavit in support of a motion for an order dismissing said above-entitled action without prejudice, it being proposed to file with said order so dismissing a stipulation to be presented with said motion agreeing that all testimony taken in the action above entitled shall upon a revival or in any other  
90 action involving said matter be used in full force and effect notwithstanding the entry of this order, if this Honorable Court enters the same.

Affiant respectfully prays the Court that such an order may be entered so dismissing said case without prejudice.

NIELS A. CHRISTENSEN.

Subscribed and sworn to before me this 9th day of February, 1917.

[SEAL.]

LEO MANN,  
Notary Public, Wisconsin.

My commission expires March 2, 1919.

In the District Court of the United States for the Western District of Pennsylvania, May Term, 1916.

In Equity. No. 80.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS COMPANY, Plaintiffs,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Answer of Defendant to Plaintiffs' Motion to Dismiss the Action.*

Defendant respectfully shows that this suit was begun on March 11, 1916, upon two patents, No. 635,280, for combined pump and motor, which patent expired on March 21, 1916, and Patent No. 680,842, for compressor valves; that defendant's answer was filed on April 17, 1916; that the answer set up a large number of prior patents and prior uses against said Patent No. 635,280, involving the taking of testimony of a large number of witnesses more than one hundred miles from the place of trial. That thereupon defendant served notice of taking deposition de bene esse, under which, on May 9 to 19, and June 14 to June 23, it took the depositions of a number of witnesses and introduced a large amount of other evidence at New York City and at Schenectady, New York, some of these witnesses being brought from long distances. That thereafter the plaintiffs notified defendant that they wished to take some depositions de bene esse and stipulations were made giving and extending time for taking the same to and including November 1, 1916, during which time the plaintiffs took the testimony of ten witnesses at great length at Milwaukee, Wisconsin, and in for trial and was called at the call of the trial calendar in November and then continued until the December call and finally the date of trial was fixed for January 22, 1917. On January 19, 1917, the plaintiffs noticed a motion which was heard on January 20 for a postponement of the date of trial. This motion was argued on Saturday, January 20th, and the date of trial was postponed until February 13th.

The defendant, at great expense of money, time and labor, was prepared to proceed with the trial on January 22nd, having assembled the record and exhibits, including several large and heavy machines, at the court rooms for the trial, and procured the attendance of a number of witnesses from outside the jurisdiction, as well as witnesses within the same, at the court at that time.

On May 9th, at the beginning of the taking of defendant's depositions in New York, the plaintiff gave notice of an intention to amend the bill of complaint to include two other patents, namely, Nos. 753,954, for electric machine, and 914,966, for compressor valve, and in order to save the delay and expense of a motion for leave to amend, a stipulation was made permitting such amendment and providing for time for filing the answer thereto. The

amendment was filed on May 15, 1916, and the answer thereto on June 1, 1916.

During the investigation of the case, defendant was advised by counsel that plaintiffs' machine was an infringement of defendant's Waters Patent No. 861,488, dated July 30, 1907, for motor compressor, and thereupon made a motion for leave to amend its answer and set up such infringement as a counter-claim. This motion was argued before Judge Thomson, but was denied in an opinion filed October 2, 1916. These machines were claimed in the bill to have been made under said Patent No. 635,280, and were sold in competition with defendant's machines, which were alleged by the bill to be infringements of the said patent. Defendant's contention was that in the settlement of accounts between the parties, in case each sustained its action, the defendant's claim for profits and damages should be set off against any recovery that plaintiffs might make under their said patent.

Defendant shows that it began the manufacture and sale of the machines which plaintiffs claim infringe on said Patent No. 635,280 in 1900 and that such manufacture and sale was open and extensive and has continued until the present time; that except for a general written notice calling attention to said Patent No. 635,280 sent to defendant under date of December 12, 1906, no claim for infringement or protest on the part of plaintiffs against such manufacture and sale was made by the plaintiffs until about the 11th day of March, 1916, the day when the bill was filed in this suit and only ten days before the expiration of said patent. During this period

93 defendant manufactured and sold upwards of over 23,000 machines and sold them all over the United States, so that they are now in the hands of users, on railroads, contract work and manufacturing establishments, the number of users running into thousands, all of whom have been permitted to acquire their machines and to use them during that period without notice or protest from the plaintiffs.

Defendant further shows that the investigation into the prior state of the art and looking up cases of prior use and legal questions material to the defense of the action has been very extensive, and this, together with the taking of testimony and preparing the case for hearing at this time and arranging for the attendance of witnesses and counsel, has cost a large amount of money, as well as a great deal of time and attention on the part of defendant, the cost aggregating over eleven thousand dollars (\$11,000). It would be a great hardship to the defendant if the plaintiffs, after taking the soundings in the case and ascertaining the defendant's proofs, were now permitted to discontinue this action and be free to press a suit in some other jurisdiction away from defendant's home and home facilities for meeting the demands of the trial, or of bringing suit against some of its vendees and compelling the defendant to again prepare for trial. Defendant cannot be put back into the same position by any mere repayment for the cash outlay it has been compelled to make in preparing for the present trial. It anticipates examining a number of additional witnesses and is prepared to meet possible exigencies of the trial as it may develop by plaintiffs' testimony, and it has no

assurance that the witnesses will be alive when they may again be needed. This refers to testimony of witnesses to be taken or to be held for examination to meet possible contentions on the part of plaintiffs.

94 Defendant further shows that on March 13, 1916, plaintiffs brought a similar suit against defendant in Chicago, the bills in the two cases being identical, based upon the two Patents Nos. 635,280 and 680,842. That defendant filed an answer in said suit and since that date nothing has been done therein, but plaintiffs elected to try the Pittsburgh suit and have been proceeding diligently with regard to it. That the Chicago bill was not amended by including the other two patents, Nos. 753,954 and 914,966, as was the Pittsburgh suit. Defendant knows no sufficient reason why after the Pittsburgh suit has been brought to condition for trial and twice set for trial, plaintiffs should be permitted to abandon it and try the Chicago case. No order that the depositions taken in this case might be used in that case would be adequate to relieve the defendant from the injury such postponement of the trial and change of venue from its home district to a foreign district would impose upon it. The cost and inconvenience of such a course would be a great and unnecessary burden upon defendant and the trial in a foreign jurisdiction would put it to serious disadvantage.

\_\_\_\_\_,  
*Counsel for Defendant.*

STATE OF PENNSYLVANIA,  
*County of Allegheny, ss:*

Before me, the undersigned authority, personally appeared Arthur L. Humphrey, who being duly sworn according to law, deposes and says that he is the vice-president of the Westinghouse Traction Brake Company, the defendant; that he has read the foregoing  
95 answer, and that the facts therein stated are true, to the best of his knowledge and belief.

ARTHUR L. HUMPHREY.

Sworn and subscribed before me this 11th day of February, 1917.

[SEAL.

W. L. McDANIEL,  
*Notary Public.*

My commission expires January 21, 1919.

In the District Court of the United States for the Western District of  
Pennsylvania, May Term, 1916.

In Equity. No. 80.

NIELS A. CHRISTENSEN et al., Plaintiffs,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Motion of Defendant for Judgment Upon the Record as to Patents  
Nos. 621,324, 635,280, and 680,842.*

Now comes the defendant, by its counsel, and moves the Court for  
Judgment upon the pleadings and proofs already filed as to Patents  
Nos. 635,280, 621,324 and 680,842.

96 This motion is based upon certain allegations of the bill  
admitted in the answer with respect to the two patents on the  
combined pump and motor and as to the bottle valve patent on the  
showing of the defendant's construction in the exhibit machine and  
in the various catalogues stipulated into the record which exhibits  
are before the Court.

As to Patents Nos. 621,324 and 635,280, all the facts necessary to  
judgment are already in the record and in the bill of complaint and  
in admissions of the answer. Nothing is left except a judgment  
upon the legal points involved.

As to Patent No. 680,842, the facts presented by the stipulation and  
exhibits are adequate to permit a judgment upon the question of  
infringement, it being perfectly clear, from a comparison of the  
construction of the defendant's devices alleged to infringe Patent  
No. 680,842 with the claims of that patent upon plaintiffs' showing  
alone, that the construction of defendant's devices is essentially dif-  
ferent, and that it is impossible to predicate infringement of said  
patent upon the manufacture and sale of these devices. All that is  
necessary is for the Court to compare the constructions alleged to  
infringe with Patent No. 680,842, to see clearly that there can be  
no infringement.

In case the Court feels constrained to grant plaintiffs' motion of  
dismissal, defendant claims that, under the authorities, it is entitled  
to have such decree of dismissal conditioned with an entry of a  
decree in its favor on Patents Nos. 635,280, 621,324 and 680,842;  
otherwise defendant claims that it is entitled to a final hearing on the  
record as made by the plaintiffs on these three patents, or, in default  
of plaintiffs' appearance, an inquest by the Court.

Defendant therefore moves for judgment upon Patents Nos. 635,  
280, 621,324 and 680,842 as a condition for grant of plaintiffs'  
motion for dismissal, leaving the same subject to dismissal



97 as to Patents Nos. 753,954 and 914,699, as to which the record has not been completed.

THOMAS B. KERR,  
JAMES K. BAKEWELL,  
PAUL SYNNESTVEDT,  
*Counsel for Defendant.*

At a Regular Trial Term of the District Court of the United States for the Northern District of New York, Held at the Federal Building, in the City of Albany, N. Y., on the Thirteenth Day of February, 1917.

Present: Hon. George W. Ray, District Judge.

District Court of the United States, Northern District of New York.

In Equity. No. 186.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS MANUFACTURING COMPANY, Plaintiffs,

against

GENERAL ELECTRIC COMPANY, Defendant.

*Order.*

The above entitled cause having been called in its regular order at the opening of court, on the thirteenth day of February, 1917, and the plaintiffs having appeared by counsel and presented a petition praying that the said bill may stand dismissed out of this court, without prejudice, and also having filed an affidavit of the plaintiff, Niels A. Christensen, and a stipulation signed by the counsel for the plaintiffs, which said petition, affidavit and stipulation, are hereto attached, and after hearing William L. Viischer, Esq., of counsel for the plaintiffs, in favor of the motion for dismissal of the bill without prejudice, and Clarence D. Kerr, Esq., having appeared for the defendant in opposition thereto, it is

98 Ordered, that the said bill stand dismissed out of this court, without prejudice, however, to the plaintiffs to commence a new action within one year, upon the payment to the defendant of the taxable costs, and it is further

Ordered, that as a condition of the dismissal of said action, that the plaintiff discontinue the suit now pending between the same parties on Patents Nos. 635,280, and 680,842 in the United States District Court, Northern District of Illinois, Eastern Division, without prejudice, however, to the plaintiffs to commence a new action within one year, upon the payment to the defendant of taxable costs, and it is further

Ordered, that all depositions stipulated or otherwise hitherto taken in this cause may be used in any other subsequent litigation be-

tween the above-named plaintiffs and defendant on any of the patents involved herein.

GEORGE W. RAY,  
*U. S. District Judge.*

Approved as to form.

CLARENCE D. KERR,  
*Counsel for Defendant.*

99 STATE OF NEW YORK,  
*County of New York, ss:*

Before me, the undersigned authority, personally appeared Clarence D. Kerr, who, being by me duly sworn, deposes and says that he is the Clarence D. Kerr mentioned in the foregoing document and that the same is a true copy of an order which was entered by Judge Ray in Albany on February 15, 1917, on a motion made by plaintiffs on the 13th instant, in the case of Niels A. Christensen and Allis-Chalmers Manufacturing Company v. General Electric Company, in equity, No. 186, in the District Court of the United States of the Northern District of New York.

CLARENCE D. KERR.

Sworn and subscribed to before me this sixteenth day of February, 1917.

MAXWELL BARNS,  
[SEAL.] *Notary Public, New York County, No. 56.*

In the District Court of the United States for the Western District of Pennsylvania, May Term, 1916.

In Equity. No. 80.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS COMPANY,  
Plaintiffs,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Sur Motion of Plaintiff to Dismiss the Action and Sur Motion of Defendant for Judgment.*

ORB, J.:

Some days before the time fixed for the trial of this case,  
100 the plaintiffs moved to dismiss the bill without prejudice.  
The motion was based upon the affidavit of Christensen to the effect that he was without financial means and could not, therefore, proceed with the trial. This motion has been vigorously opposed on the part of the defendant. The principal grounds of op-



position are (a) That the defendant has gone to great expense in preparing its defense; (b) That as appears by some of the depositions which have been taken under the statutes, there can be no doubt as to the right of the defendant to a decree in its favor with respect to certain of the patents which form the basis of the suit now sought to be dismissed; and (c) That if the motion to dismiss should prevail, the defendant will be relegated to the forum within the jurisdiction of the United States District Court which sits in the city of Chicago.

None of the objections should prevail against the plaintiffs' motion. (a) That a defendant has gone to great expense in the preparation for trial has never — deemed a reason why the plaintiff should not have the privilege of discontinuing that which he has theretofore begun. Something more than trouble and expense and disappointment on the part of the defendant must appeal to the Court as a reason for refusing a voluntary dismissal of a suit. The defendant is not entitled to any affirmative relief in the proceeding, and, therefore, by the dismissal of the suit, is not deprived of any right which it might otherwise obtain. Under such conditions, if a defendant shall receive all costs to which it would be legally entitled, it ought not to be heard to complain if a court has permitted a plaintiff to dismiss its suit before trial. (b) While it is true that courts will hesitate to permit a plaintiff to voluntarily dismiss his suit after the same has been heard and is ready to be disposed of, yet, we

101 know of no rule which would lead the Court to refuse a voluntary dismissal of the plaintiffs' bill before trial, although it might be apparent that if the trial came on, and certain evidence were introduced, the decision of the Court would probably be in favor of the defendant. In the case at bar, the depositions may not be received in evidence, or if received, the particular parts upon which the defendant may rely may be the subject of well-founded objection on the part of the plaintiffs. Where an application is made for a voluntary dismissal, the Court cannot speculate as to what may be conclusively found from evidence or other testimony available to the defendant. (c) The fact that there is a suit pending between the same parties in the Northern District of Illinois with relation to some of the patents involved in the present case should not operate upon this Court to withhold its consent to the dismissal of this cause. The suit between the parties in Chicago was brought on the 13th of March, 1916. There seemed to have been no objections on the part of the defendant to the condition of having two suits pending against it in two separate districts during a period of eleven months. If it be a hardship upon the defendant to be compelled to defend the suit in Chicago, it is not such hardship, under all the circumstances, as would lead this Court to withhold its consent to the dismissal of the plaintiffs' case in this jurisdiction. If the suit in Chicago had just been brought upon the eve of the motion to dismiss this suit here, a different question would be presented, and this Court might then refuse to permit a dismissal of this suit as long as the suit in Chicago remained pending. As it is, there will be no such hardship upon the defendant immediately created by the

dismissal of the present suit in this jurisdiction which should lead this Court to refuse the plaintiff's motion.

102 It being clear that the objections by the defendant to plaintiffs' motion to dismiss his bill are not really tenable, nevertheless, such motion should not be granted without the imposition of some terms. The terms usually imposed are an imposition of costs upon the plaintiff and that such depositions as may have been taken in the preparation for trial should be capable of use in any other litigation between the parties relating to the same subject. These very terms are proposed by the plaintiffs in their motion. The additional condition urged on the part of the defendant, that the suit in the Northern District of Illinois be dismissed, should not be a part of the order of this Court for reasons hereinabove stated.

After the motion of the plaintiffs for leave to dismiss the bill was heard and argued, the defendant presented a motion for judgment upon the record as to three of the patents which are the subject of the litigation. This motion of the defendant must be dismissed because the case has not come on for trial. The stipulations of counsel and exhibits are not in evidence, and no question of law is properly raised for decision. If it were a question determinable upon reading the bill and answer, the ruling of the Court might be different. As it is, however, the motion of the defendant must be overruled.

### *Order of Court.*

And now, to wit, February 24, 1917, on motion of solicitors for plaintiff, it is ordered, adjudged and decreed that the bill of complaint at the above number and term be and the same is hereby dismissed at the cost of plaintiffs, without prejudice to the rights of plaintiffs, or either of them; provided, however, that all depositions heretofore taken may be used in any other subsequent or pending litigation between plaintiffs and defendant.

PER CURIAM.

103 District Court of the United States, Western District of Pennsylvania, May Term, 1916.

In Equity. No. 80.

NIELS A. CHRISTENSEN et al., Plaintiffs,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Petition for Rehearing on Defendant's Motion for Judgment upon the Record as to Patents Nos. 621,324 and 635,280.*

Now, to wit, March 1, 1917, comes the defendant, by its counsel, and prays the court for a rehearing upon its motion for judgment upon the record as to Patents Nos. 621,324 and 635,280 and for a

final hearing thereon. The grounds for this petition are that the question involved is determinable upon the bill and answer and that under the authorities cited on the argument of the above motion the defendant, under these circumstances has a right to have the case decided on its merits. Thus in *Folger v. Shaw*, Fed. Case 4899, it is said:

"The true test seems to be the progress in a case so that the court may have means to decide on the merits. The defendant *then* has rights and may well insist upon a final judgment to avoid further expense and litigation."

The bill in paragraphs "third," "fourth" and "fifth" sets out the facts upon which the defense of the invalidity of Patent No. 635,280, by reason of the previous grant of Patent No. 621,324 was  
104 based. The answer admits the facts to put in issue the validity of Patent No. 635,280 in view of it.

The bill in paragraph "eighth" avers the marking of machines manufactured by the plaintiffs as patented under Patent No. 635,280, and makes no such averment as to Patent No. 621,324. So that, if the second patent is invalid, the plaintiffs have no right to an account, and as the patents have expired the bill would have to be dismissed.

Defendant therefore submits that the Court has means to decide this question on the merits and that defendant has acquired such rights in the progress of the case as to entitle it to insist upon a final judgment, and defendant therefore prays that it may be granted a final hearing as to Patents Nos. 621,324 and 635,280, the bill to stand dismissed as to the other patents in suit.

JAMES K. BAKEWELL,  
*Counsel for Defendant.*

In the District Court of the United States for the Western District of Pennsylvania, May Term, 1916.

In Equity. No. 80.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS COMPANY, Plaintiffs,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Certificate of Exemplification.*

WESTERN DISTRICT OF PENNSYLVANIA, ss:

I, J. Wood Clark, Clerk of the District Court of the United States, for the Western District of Pennsylvania, do hereby certify  
105 that the annexed and foregoing pages contain a true and correct copy of the record, excepting testimony and exhibits, in the above-entitled case, so full and entire as the same remains of record and on file in my office, in the City of Pittsburgh, in said District.

In Testimony Whereof, I have hereunto signed by name and affixed the seal of the said court, at Pittsburgh, this thirty-first day of March, A. D. 1917.

[SEAL.]

J. WOOD CLARK,

*Clerk.*

WESTERN DISTRICT OF PENNSYLVANIA, ss:

I, Charles P. Orr, District Judge of the United States, for the said District, do hereby certify that J. Wood Clark, named above, was, at the time of making the above certificate, and is now, clerk of the said court, and that the said certificate made by him is in due form of law.

CHAS. P. ORR,

*U. S. District Judge.*

Pittsburgh, March 31, 1917.

WESTERN DISTRICT OF PENNSYLVANIA, ss:

I, J. Wood Clark, Clerk of the District Court of the United States, for the Western District of Pennsylvania, do certify that the Honorable Charles P. Orr, by whom the foregoing attestation was made, and who has thereunto subscribed his name, was, at the time of making thereof, and still is, Judge of the District Court of the United States in and for said district, duly commissioned and  
106 & 107 qualified; to all whose acts, as such, full faith and credit  
are and ought to be given, as well in the courts of judicature as elsewhere.

In Testimony Whereof, I have hereunto signed my name and affixed the seal of the said court, at Pittsburgh, in said district, this thirty-first day of March, A. D. 1917.

[SEAL.]

J. WOOD CLARK,

*Clerk.*

(Here follow diagram marked p. 108 and specification marked pp. 109-112.)

No. 638,200.

H. A. CHRISTENSEN. Patented Oct. 17, 1899.  
COMBINED PUMP AND MOTOR.

(Application filed Dec. 20, 1898.)

(See Model.)

Fig. 2.

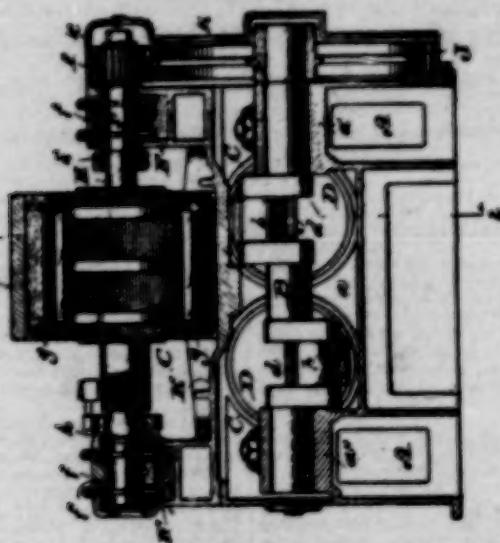
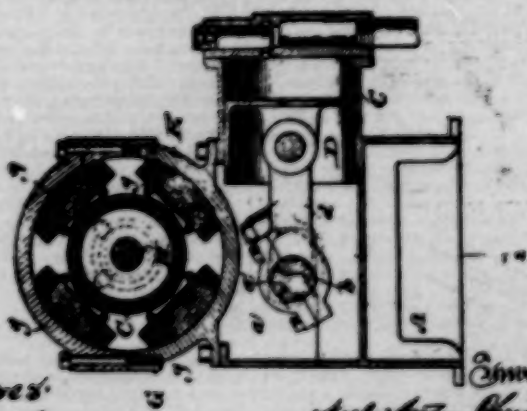


Fig. 1.



Witnesses:  
Geo W Young  
Chas. L. Jones

Inventor  
H. A. Christensen  
By H. A. Christensen & H. A. Christensen  
H. A. Christensen  
C. M. W. 1899.

## UNITED STATES PATENT OFFICE

WIELS ANTON CHRISTENSEN, OF MILWAUKEE, WISCONSIN.

## COMBINED PUMP AND MOTOR

SPECIFICATION forming part of Letters Patent No. 828,225, dated October 19, 1906.

Application filed December 28, 1905. Serial No. 275,225. (Divided)

To all whom it may concern:

Be it known that I, WIELS ANTON CHRISTENSEN, of Milwaukee, in the county of Milwaukee and State of Wisconsin, have invented certain new and useful improvements in a Combined Pump and Motor, and I do hereby declare that the following is a full, clear, and exact description of the invention, which will enable others skilled in the art to which it pertains to make and use the same, reference being had to the accompanying drawings, and to the letters of reference marked thereon, which form a part of this specification.

The main object of my invention is to provide within small compass or in compact form a combined pump and motor of simple and durable construction that will not be affected by dust, mud, ice, or snow, that will be efficient and unattended in operation, and that will require little attention.

In consists of certain novel features of construction and arrangement of parts, as hereinafter particularly described, and pointed out in the claims.

In the accompanying drawings the letters designate the same parts in both figures.

Figure 1 is a vertical section cutting one of the compressor cylinders lengthwise on the line 1-1, Fig. 2, of a combined pump and motor embodying my invention; and Fig. 2 is a vertical section cutting the machine lengthwise of the crank and motor shafts on the line 2-2, Fig. 1.

My improved pump and motor are designed particularly for use in connection with air-brakes for railway-cars on which the pump and motor are usually exposed to dust, mud, and snow, and the working parts of unprotected iron become worn and ineffectual, besides requiring constant or frequent attention.

Referring to the drawings, A designates the main or pump frame, made of cast-iron and formed with a well or chamber a for enclosing and protecting the working parts of the pump and for containing oil for their thorough lubrication. The frame is formed or provided with bosses b', which open at their ends into the chamber a. B is a shaft supported in said bosses and formed or pro-

vided between them with cracks or notches b.

CC are spiders or levers with or attached to the frame A and opening at one end into the chamber a. DD are spiders fixed to said spiders and connected by means d d with the cracks b'. The bottom of the oil chamber or well a is preferably arranged at or near the level of the lower ends of said spiders, so that when said chamber is but partially filled the oil will flow therefrom into the spiders and thoroughly lubricate the pistons.

Upon the frame A is mounted an elastic member comprising a tube E, which is locked to the top of said frame and serves as a cover or door for the oil-chamber a. The working parts of the pump are thus completely isolated and protected from dust and dirt. The motor-rod F is formed or provided on its upper side in a box parallel with the crank-shaft G with an internal key-connection F', the upper halves or ends f' f' of which are detachable for the purpose of removing the pistons. Between the two bearings F' the tube E is formed or provided with an armature housing or casing H, in the lower side of which the two pistons f' f' of the motor are attached. The upper part of this housing, with two pistons or half-cylinders attached thereto, is made detachable to facilitate access to and removal of the armature. This housing is preferably open at the ends to allow access of air to the armature, and thus afford ample ventilation and prevent heating of the armature. If necessary or desired, the upper part of the housing may be attached to the ends, or covers may be attached thereto to protect the compressor and otherwise exposed ends of the armature, but under ordinary conditions there are not needed.

I designate the armature-shaft supported parallel with the crank-shaft I in the chamber or boss f', provided thereto in the housing F'. Oil is provided from following the armature-shaft to the compressor by an intermediate groove k, formed around said shaft, and the escape of oil from the opposite well and box housing and its access to the armature are prevented by a stuffing-box



5 in the rear end of the adjacent journal-  
 10 *shaft* *f*. At one end of the machine the cham-  
 ber *c* opens through the side of frame *A* and  
 at the same end the structure and crank  
 shafts are grounded and provided, respec-  
 tively, with a piston *1* and a gear *2*, which  
 mesh with each other.

It is a case, the larger part of which is built  
 of cast-iron suitably attached to the frame  
 15 *A* over the gear *2*, thus enclosing said gear  
 and forming a receptacle for holding oil in  
 communication with the chamber *c*. The up-  
 per smaller portion *h* of the gear-case cover-  
 ing the piston *1* is formed with or attached  
 20 to the top of the adjacent bearing and is  
 removable therefrom for the purpose of dis-  
 charging same to or receiving the crank-  
 shaft. In position the oil-ways in the bear-  
 ings *V* *W*, the chamber *c*, containing the  
 pump-discharging connections, and the gear-  
 case *K* are partially filled with oil, so that  
 the pump-plunger, the cranks or eccentric  
 with which they are connected, and the gear  
 25 *2* run in and on the journals of the crank-  
 shaft and the piston *1* are constantly supplied  
 with oil, thereby greatly reducing the wear  
 and friction that would otherwise be re-  
 quired to keep the machine properly lubri-  
 cated and in proper working order.

It is obvious that a pump with a single cylin-  
 der may be made on the gear-housing shown  
 and described and that various other dispo-  
 sitions in the details of construction and ar-  
 rangement of parts may be made within the  
 30 spirit and intended scope of my invention.

Under certain conditions the pump is  
 placed and constructed as herein shown and  
 described may be advantageously employed  
 without the special motor device shown,  
 and I do not wish to be understood as limit-  
 35 ing my invention to such a motor, except in  
 those cases in which it is expressly so limited.

The pump-cylinder being as set and ar-  
 ranged with respect to the oil-chamber *c* that  
 a portion of them at least will be below the  
 normal level of the oil in said chamber, the  
 oil will serve by its constant agitation and  
 action with the metallic walls of chamber *c*,  
 40 as well as with the cylinder and plunger, to  
 distribute the heat produced by the friction  
 of the pump, and thereby prevent over-  
 heating of the cylinder and plunger during  
 45 working.

Although the chamber *c* is shown as com-  
 municating with the gear-case *K*, the open-  
 50 ing in the end of frame *A* between them may  
 be closed, so that lubricants of different kinds  
 may, if desired, be used, one for the gear and  
 another for the cylinder, plunger, and cranks.

In other cases the projecting end of the  
 crank-shaft *h*, to which the gear *2* is attached,  
 is covered by the gear-case or termination  
 55 thereof, thus completely enclosing and pro-  
 tecting the driving connection of the pump  
 and disposing with the stuffing-box that is  
 for obvious reasons objectionable, but is in-  
 dispensable, in that class of machines where

the crank-shaft projects through the casing  
 and has a driving connection outside.

#### 4 claim—

1. In a combined air-pump and electric mo-  
 60 tor the combination of the frame having a  
 chamber adapted to contain oil, a shaft pro-  
 vided with a crank or eccentric (rotated in  
 said chamber, a cylinder formed with or at-  
 65 tached to said frame and opening at one end  
 into said chamber, a piston fitted to work in  
 said cylinder and connected with said crank  
 or eccentric, a motor-hose attached to said  
 frame and forming a cover for said oil-cham-  
 70 ber, an structure supported upon said base  
 and connected by gears with said crank-shaft,  
 and a gear-case attached to said frame and  
 motor-hose and forming plunger with an in-  
 75 closure for said gears and a receptacle for hold-  
 ing oil, said frame, gear-case and motor-hose  
 completely enclosing and protecting the driv-  
 ing connection of the pump and the crank-  
 shaft, terminating within said gear-case,  
 80 whereby a stuffing-box therefor is dispensed  
 with, substantially as and for the purposes set  
 forth.

2. In a pump the combination with a frame  
 85 formed or provided with a closed cham-  
 ber adapted to contain dirt and to contain  
 oil, a shaft having bearings in said frame or  
 case and provided with a crank or eccentric  
 within said chamber, a cylinder formed with  
 or attached to said frame or case, a piston fit-  
 90 ted to work in said cylinder and connected  
 with said crank or eccentric, a shaft extending  
 to said frame or case and connected by gear-  
 ing with said crank-shaft, and a gear-case  
 forming an oil-tight closure over said gear-  
 95 ing and the end of the crank-shaft with which  
 the driving connection of the pump is made,  
 whereby a stuffing-box for said crank-shaft  
 is dispensed with, substantially as and for  
 the purposes set forth.

3. The combination of a frame provided  
 100 with base and formed with an oil chamber or  
 well between said base, a shaft supported in  
 said base and provided between them with a  
 crank or eccentric, a cylinder attached to said  
 frame and opening at one end into the oil  
 105 chamber or well therein, a piston fitted in  
 said cylinder and connected with said crank  
 or eccentric, a motor-hose connected upon said  
 frame and forming a closure for said cham-  
 ber, an structure supported in bearings  
 110 upon said base parallel with said crank-shaft,  
 and provided at one end with a piston which  
 meshes with a gear on the crank-shaft, and a  
 case enclosing said piston and gear forming a  
 115 receptacle for holding oil, a part of said case  
 over said piston being detachable, substan-  
 tially as and for the purposes set forth.

4. The combination of a frame formed with  
 an oil well or chamber and provided with base  
 120 in communication with said chamber, a shaft  
 supported in said base and provided with a  
 crank or eccentric, a cylinder attached to said  
 frame and opening at one end into said oil-  
 chamber, a piston fitted in said cylinder and



100,000

connected with said crank or eccentric, an electric motor mounted upon said frame and comprising a base which covers said oil-chamber and is provided on the upper side with oil-cups and two bearings having detachable caps and with an armature-bearing and pole having also a detachable cap, an armature and its shaft supported in said bearings parallel with the crank-shaft and provided at one end with a pinion which meshes with a gear on said crank-shaft, and a gear-case forming an oil-receptacle and composed of

two parts, one attached to the frame and another base, and the other to and removable with the cap of the adjacent bearing, substantially as and for the purposes set forth.

In testimony that I claim the foregoing as my own I affix my signature in presence of two witnesses.

NIELS ASTON CHRISTENSEN

Witness:

CHAS. E. GUN,  
ERNEST SMITH.

113

## U. S. Circuit Court of Appeals, Third Circuit.

WESTINGHOUSE TRACTION BRAKE CO.

v.

CHRISTENSEN et al.

Decided July 3, 1917, 243 F., 901.

## Appearances:

Mr. Thomas B. Kerr and Mr. Paul Synnestvedt for the petitioner.  
Mr. Willet M. Spooner for the respondent.

Before Hurlington, McPherson and Woolley, Circuit Judges.

## McPHERSON, Circuit Judge:

In the District Court for the Western District of Pennsylvania this was a suit in equity charging the infringement of several patents: Christensen and the Allis-Chalmers Company being the plaintiffs, and the Westinghouse Traction Brake Company being the defendant. The bill was filed in March, 1916, and the answer in the month following. On February 13, 1917, the plaintiffs moved for leave to dismiss the bill, and on February 24 the court granted the motion, entering an order of dismissal at the plaintiffs' costs without prejudice to their rights, and providing that the depositions theretofore taken might be used in any other subsequent or pending litigation between the plaintiffs and the defendant. On April 23 the defendant presented to the Court of Appeals the pending petition, which sets forth in substance:

That in the bill the Brake Company was charged with infringing 3 letters patent (two others being added by amendment), two of the first three covering identically the same invention and both having been granted to Christensen a few months apart—these patents being No. 621,324, issued March 21, 1899, and No. 635,280, issued October 17, 1899, each for the full term of 17 years from its date.

That the bill explains this unusual situation as follows:

114 When the first patent issued on March 21 it contained (probably by inadvertence in the office) a sheet of drawings that the patentee had ordered to be canceled during the proceeding before the examiner. Several months later the patentee sent the letters back and demanded new letters that would omit the sheet referred to. He did not apply for a reissue, but the Commissioner granted the demand, and on October 17 canceled the old letters and issued new letters identical therewith (excepting the sheet), but running for 17 years from its own date. That the answer admits these facts, and sets up the invalidity of the second patent on the ground that it was a later grant to the same man for the same invention.

That, in addition to the facts thus charged and admitted, the bill also shows that the question of validity between the two patents has

become important, because the bill also avers that the plaintiffs' machines were marked under the second patent, but contains no such averment as to marking under the first patent—this being a matter that affects the accounting, if the first patent should be adjudged valid over the second. That the dates show that both patents have now expired, although if the first patent continued to be in force it did not expire until several days after the bill was filed. That as no injunction can now issue under either patent, the bill presents only a question of recovery and accounting, so far as these two are concerned. Whichever patent be valid over the other, the District Court had in the pleadings, without regard to any other consideration, all the facts needed for a decision of this question on the merits; the bill submitting the question as to an issue to be determined by the court, and praying for an injunction alternatively under the first patent or the second. The petition goes on to aver that the answer not only sets up a number of prior

115 patents and prior uses, but pleads specially that the second patent was invalid if by reason of the prior issue of the first.

The petition further avers: That both parties took testimony *de bene esse* and filed the depositions in court; the plaintiffs taking the testimony of ten witnesses, offering in connection therewith a number of exhibits, and introducing also a stipulation which in substance restates the facts set up in the bill and answer regarding the relation between the two patents. That afterward the plaintiffs by amendment added two other patents to their bill, and that to these an amended answer set up the defences of laches, failure of marking and of notice, noninfringement, and lack of validity. That the defendant asked leave to amend its answer further, so as to set up as a counterclaim a certain infringement by the plaintiffs, but that this motion was denied. 235 Fed. 898. That on March 13, 1916, the plaintiffs brought a similar suit against the petitioner in Chicago, based upon the same three patents originally set up in the present suit, and that the defendant filed an answer to the Chicago suit, since which time nothing has been done therein, the plaintiffs electing to proceed in the Pittsburgh action. That the case in Pittsburgh was put down for trial and was called in November, 1916, being finally fixed for trial on January 22. That on January 20 the plaintiffs were granted a postponement until February 13, although the petitioner, with its counsel and witnesses, was then prepared to proceed. That the petitioner made ready again for the trial fixed for February 13, but that a day or two before that date the plaintiffs gave notice of a motion for leave to dismiss the bill without prejudice. That the petitioner opposed the motion on the ground that the granting thereof would deprive it of its substantial rights, and that before the motion for leave to dismiss was decided the petitioner moved "for judgment upon the pleadings and proofs already filed" as to the three patents originally contained in

116 the bill, alleging that all the facts necessary to judgment concerning the first two patents at least were already in the bill and answer, so that nothing else was needed as to them except a decision on the legal points involved. That affidavits and briefs

were filed in support of the motions and in opposition thereto, and that argument was had, after which the dismissal was allowed on the conditions already stated; but that the petitioner's motion for judgment was denied on the ground that the case had not come on for trial, and that the stipulations of counsel and the exhibits were not in evidence, the court saying at the same time:

"If it were a question determinable upon reading the bill and answer, the ruling of the court might be different."

That the petitioner thereupon moved for a rehearing of its motion for judgment as to the first two patents, insisting that such motion was determinable upon the bill and answer, and that the petitioner was therefore entitled to have the case decided in order to end the litigation. That the District Court declined to pass upon the motion or rehearing on the ground that the case was no longer before the court.

The petitioner alleges that the action of the District Court in allowing the plaintiffs to dismiss, and in declining to pass upon the motion for a rehearing, deprived it of rights to which it was entitled under the law and the equity rules, especially under rule 69, and moreover that such action deprived it of its right of appeal. The petitioner therefore prays for a writ of certiorari to bring up the record to the Court of Appeals, in order that the matters set up in the petition may be reviewed, or, in the alternative, for a mandamus directing the district court to try and determine the issues raised by the bill and answer with respect to the first two patents.

117 The petition was filed in this court on April 17, and notice was given that the court would be applied to on April 23. The application was then made ex parte, and after consideration thereof the matter was set down for argument on June 15. On that day counsel for both sides appeared, and, after discussing the point whether the remedy sought to be invoked was appropriate, they agreed at bar that the merits of the controversy should be heard in reference to the first two patents, and accordingly argument was had thereon. Informally, therefore, but with complete effect, the case is before us as if a certiorari had been actually issued and the record returned in obedience thereto. This agreement relieves us from considering any preliminary question concerning procedure, and we turn at once to the dispute concerning the respective validity of the first two patents. The petitioner concedes that the priority of the District Court's order, so far as affects the other three patents, is not before us, and it must be understood that as to these the bill stands dismissed.

The two patents in controversy were before the Court of Appeals for the Seventh Circuit in *National Brake Co. v. Christensen*, 229 Fed. 564, 144 C. C. A. 24, and the opinion of that court contains the following paragraphs:

"Letters patent No. 621,324 were issued March 21, 1899. Included therein was a sheet of drawings which had formed part of the original application, but had been eliminated therefrom and made part of a separate application after a division. The patentee at once rejected the letters patent, returned them for cancellation,

and because of the error there was issued to him letters patent No. 635,280, on October 17, 1899. The latter patent in terms ran for 17 years from its date.

"Suit was begun on both patents, alleging an infringement of the invention, and asking that, if the latter should be deemed  
118 invalid, because not issued in conformity with the reissue statute (R. S. § 4916 [Comp. St. 1916, § 9461], the attempted cancellation of the former should be deemed a nullity. \* \* \*

"It is of no moment which of the two patents be held to be in force. The surrender for cancellation of the one was conditioned upon the grant of a valid legal substitute. If the Commissioner of Patents was without authority to issue the second, then, in our judgment, his action in canceling the first must be deemed legally ineffective. We agree, however, with the learned trial judge that, while Christensen's procedure did not aim at a reissue, the situation is identical with that presented on an application for reissue, and that, without formal application, the later patent might have been designated as a reissue. This is a case of a pure clerical error, not of double patenting. While two documents have been issued, there is but a single grant of one and the same right to the same person.

"That the second patent was erroneously granted for a term of 17 years from its date does not nullify it. The law itself prescribed the term of a patent; 17 years is the maximum. It may for several reasons expire at an earlier date. The failure properly to limit the term no more affects the validity in this case than it does in a case where, because of a prior foreign patent having a shorter term, the United States patent by law expires before the end of the 17 years specified in the document."

A certiorari to review the decree of the Court of Appeals was refused by the Supreme Court. 241 U. S. 569, 36 Sup. Ct. 447, 60 L. Ed. 1225. The opinion in the District Court has not been reported, but we have examined a copy, and the following extract will show the view that was taken by Judge Geiger:

"The questions arising in the case are:

"(1) Whether letters patent No. 635,280 are valid—defendant contending that they were issued without authority; that  
119 the irregularity, if it be one, of attaching to letters patent No. 621,324 the additional sheet, was subject to correction only through the medium of a reissue. An amendment to the bill was permitted to enable complainants to present all the facts, now conceded to be as above stated. If defendant is right in contending that the Commissioner of Patents was without power to grant the second patent, it ought to follow that he also lacked power to accept surrender of and to cancel the first grant. So, too, if the situation was such that complainant was entitled to a reissue, there is nothing in the reissue statute which precludes us from treating the second as, in effect, a reissue, except the fact that it fails to limit the term to that of the first patent. While the procedure adopted by Christensen may not conform to nor have been followed with the express design of obtaining a reissue, the facts brought to the Com-



missioner's attention are identical with those which would have been averred and presented upon an application for reissue; and, even without formal application for reissue, the Commissioner could, in my judgment, have disposed of Christensen's application by designating patent No. 635,280, as a 'reissue.' In every aspect of the case, it appears that the government has allowed and granted a patent embodying the claims which, in the two documents, are identical. Whether the patent be evidenced by one, the other, or both, is not, in view of the issues now here material. Complainants' contention that even though the second patent on its face extends the term of the monopoly beyond that permitted by statute the court may, when necessary to protect the public or a party, give the instrument its actual limitation and effect, strikes me as fair and entirely consistent with the spirit of the patent laws. In other words, there is no reason why the irregularity of procedure should work a default or a total lapse in the patentee's right or title, especially as against one has not been injured or misled, nor from whom relief is sought in reliance upon the irregularity. The question, upon the present state of the case, is therefore academic only."

120 We think it clear that the question now presented was not directly decided in the Seventh Circuit. As the suit there was begun in December, 1906, when both patents were only between 7 and 8 years old, the question which patent was in force was "academic." One or the other was valid, and as the invention was identical the infringer was not harmed by being enjoined under one rather than the other. In point of fact the injunction was under the second patent, and this is the decree that was affirmed, although the opinion of the Court of Appeals may be thought to lean toward the view that the first patent continued to be in force, and that the second patent had been erroneously granted.

(1, 2) But, while it might be regarded as a matter of indifference under which patent an injunction should be granted, the situation is changed when the question of accounting is presented. The two patents have different dates of expiration, and the question of marking is also to be considered. We are therefore required now to decide between the two, for confessedly both cannot be valid, and in our opinion the decision should be in favor of the first patent. The mistake could have been corrected under rule 170 of the Patent Office—such rules if not inconsistent with law having the force of a statute. Rev. Stat. § 483; *Steinmetz v. Allen*, 192 U. S. 556, 24 Sup. Ct. 416, 48 L. Ed. 555; *Caha v. U. S.*, 152 U. S. 221, 14 Sup. Ct. 513, 38 L. Ed. 415; *Wilkins v. U. S.* (C. C. A. 3d), 96 Fed. 841, 37 C. C. A. 588—which provides as follows:

"Whenever a mistake, incurred through the fault of the office, is clearly disclosed by the records or files of the office, a certificate, stating the fact and nature of such mistake, signed by the Commissioner of Patents, and sealed with the seal of the Patent Office, will, at the request of the patentee or his assignee, be indorsed without charge upon the letters patent, and recorded in the records of pat-

121 ents, and a printed copy thereof attached to each printed copy of the specification and drawing.

"Whenever a mistake, incurred through the fault of the office, constitutes a sufficient legal ground for a reissue, such reissue will be made, for the correction of such mistake only, without charge of office fees, at the request of the patentee."

Or if, because of the mistake, the specification had become either "defective or insufficient" (*Hobbs v. Beach*, 180 U. S. 394, 21 Sup. Ct. 409, 45 L. Ed. 586), the patentee had the right to apply for a reissue under section 4916 and the appropriate rules of the office. Instead of pursuing either of these courses, the patentee merely asked for a summary and irregular correction of the mistake, and the Commissioner complied with this request. Now, if the Commissioner had merely omitted the sheet of drawings and had given to the second patent the same date of expiration as the first no possible harm could have been done and his action might perhaps have been regarded as taken within the general scope of rule 170, although it did not exactly comply with the requirements of that rule. But when he undertook to fix a new date of expiration, thus prolonging the life of the patent, he did what he had no lawful right to do.

(3) The second patent was not a reissue, for it did not conform to section 4916, and it was not confined to correcting a mistake under rule 170, for it went beyond the mistake and modified the first patent in a vital particular, namely, in its date of expiration. Therefore, as the Commissioner had no warrant in the law for what he did (*McCormick Co. v. Aultman*, 169 U. S. 608, 18 Sup. Ct. 443, 42 L. Ed. 875), we see no escape from the conclusion that the second patent was invalid, and must now be so adjusted.

122 To avoid misunderstanding, and if possible to prevent further controversy on several points, we may add that the petitioner is at liberty to urge any defense that may be available under its answer, with the same effect as if the bill had been originally brought under the first patent. On these matters we decide nothing, and we express no opinion upon the question (1) whether, in view of the date when the bill was filed, the remedy in equity was open to the plaintiffs; or upon the question (2) to what extent the petitioner is liable to account in case the equitable remedy be adjudged to have been available, and the petitioner be found to have infringed.

The decree of dismissal is therefore reversed so far, and so far only, as it affects the two patents referred to, and the bill is reinstated for further proceedings in conformity with this opinion.



23 In the United States Circuit Court of Appeals for the Third Circuit, March Term, 1917.

No. 2248 (List No. 58).

WESTINGHOUSE TRACTION BRAKE Co., Petitioner,

VS.

NIELS A. CHRISTENSEN et al., Respondents.

Appeal from the District Court of the United States for the Western District of Pennsylvania.

This cause came on to be heard on the transcript of record from the District Court of the United States, for the Western District of Pennsylvania, and was argued by counsel.

On consideration whereof, it is now here ordered, adjudged and decreed by this court, that the decree of dismissal of the said District Court in this cause be, and the same is hereby reversed with costs, so far, and so far only, as it affects patents No. 621,324, issued March 21, 1899, and No. 635,280, issued October 17, 1899, and the bill is reinstated for further proceedings in conformity with the opinion of this Court.

(Signed)

JOHN B. MCPHERSON,

*Circuit Judge.*

Philadelphia, July 3, 1917.

Endorsed: No. 2248. Orders Reversing Decree, etc., Received and Filed. July 3, 1917. Saunders Lewis, Jr., Clerk.

124 UNITED STATES OF AMERICA,  
*Eastern District of Pennsylvania,*  
*Third Judicial Circuit, act:*

I, Saunders Lewis, Jr., Clerk of the United States Circuit Court of Appeals for the Third Circuit, do hereby Certify the foregoing to be a true and faithful copy of the original transcript of record, petition by writ of certiorari or mandamus, opinion of this Court, and order reversing decree of the District Court in the Case of Westinghouse Traction Brake Co., Petitioner, vs. Niels A. Christensen, et al., Respondents, No. 2248, on file, and now remaining among the records of the said court, in my office.

In testimony whereof, I have hereunto subscribed my name and affixed the seal of the said Court, at Philadelphia, this 22nd day of November in the year of our Lord one thousand nine hundred and seventeen and of the Independence of the United States the one hundred and forty-second.

[SEAL.]

SAUNDERS LEWIS, JR.,

*Clerk of the U. S. Circuit Court*

*of Appeals, Third Circuit.*

*Mandate of the Court of Appeals.*

UNITED STATES OF AMERICA, ss:

The President of the United States of America, ss:

To the Honorable the Judges of the District Court of the United States for the Western District of Pennsylvania, Greeting:

Whereas, late in the District Court of the United States for the Western District of Pennsylvania, before you, or some of you, in a cause between Westinghouse Traction Brake Company, Petitioner (Defendant below), and Niels A. Christensen, Allis-Chalmers Manufacturing —, Hon. Charles P. Orr, Respondents, an order or decree was entered in the said district court on the twenty-fourth day of February, 1917, as follows:

"And now \* \* \*, on motion of solicitors for plaintiffs, it is ordered, adjudged and decreed that the bill of complaint at the above number and term be and the same is hereby dismissed at the cost of plaintiffs, without prejudice to the rights of plaintiffs, or either of them; provided, however, that all depositions heretofore taken may be used in any other subsequent or pending litigation between plaintiffs and defendant."

as by the inspection of the transcript of the record of the said District Court, which was brought into the United States Circuit Court of Appeals for the Third Circuit by virtue of a petition agreeably to the act of Congress, in such case made and provided, more fully at large appears.

And whereas, the present term of March, in the year of our Lord one thousand nine hundred and seventeen, the said cause came on to be heard before the said United States Circuit Court of Appeals on the said transcript of record and was argued by counsel:

On consideration whereof, it is now here ordered, adjudged 126 and decreed by this court, that the decree of dismissal of the said District Court in this cause be, and the same is hereby reversed with costs so far, and so far only, as it affects patents No. 621,324, issued March 21, 1899, and No. 635,280, issued October 17, 1899, and the bill is reinstated for further proceedings in conformity with the opinion of this Court; and that the said Petitioner, Westinghouse Traction Brake Co., recover against the said Respondents, Niels A. Christensen, Allis-Chalmers Manufacturing Company, Hon. Charles P. Orr, in the sum of one hundred and fifty and 5/100 dollars (\$150.05) for its costs herein expended, and have execution therefor:

Philadelphia, July 3, 1917.

You, therefore, are hereby commanded that such execution and further proceedings be had in said cause, as according to right and justice, and the laws of the United States, ought to be had, the said petition notwithstanding.

Witness, the Honorable Edward D. White, Chief Justice of the Supreme Court of the United States, at Philadelphia, the second day of August, in the year of our Lord one thousand nine hundred and seventeen.

Costs of Westinghouse Brake Company:

Clerk .....	\$62.05
Printing Record .....	\$68.00
Attorney .....	\$20.00

\$150.05

(Signed)

SAUNDERS LEWIS, JR.,  
Clerk of the U. S. Circuit Court  
of Appeals, Third Circuit.

Certified from the Record this 23rd day of November, A. D. 1917.

(Sgd.)

J. WOOD CLARK,  
Clerk.

[SEAL.]

127 United States District Court, Western District of Pennsylvania, May Term, 1916.

In Equity. No. 80.

CHRISTENSEN et al.

VS.

WESTINGHOUSE TRACTION BRAKE COMPANY.

*Decree.*

This cause having come on to be heard at this term, on motion of defendant's counsel, and thereupon it was

Ordered, adjudged and decreed, in accordance with the mandate of the Court of Appeals, filed August 3rd, 1917.

(1) That patent No. 635,280, to Niels A. Christensen, dated October 17th, 1898, for Combined Pump and Motor, was invalid having been issued without warrant of law; and

(2) That the bill be, and hereby is, dismissed as to said patent No. 635,280 with costs to defendant.

PER CURIAM.

Dated, Pittsburgh, Pa., October 1, 1917.

Certified from the record this 12th day of November, A. D. 1917.

J. WOOD CLARK,  
Clerk.

[SEAL.]

128 In the District Court of the United States for the Western District of Pennsylvania, May Term, 1916.

In Equity. No. 80.

NIELS A. CHRISTENSEN, a Citizen of the State of Wisconsin, and Allis-Chalmers Manufacturing Company, a Corporation and Citizen of the State of Delaware,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY, a Corporation and Citizen of the State of Pennsylvania.

Lines, Spooner, Ellis & Quarles, Milwaukee, Wisconsin.

Reed, Smith, Shaw & Beal, Wm. R. Rummier, Tribune Bldg., Chi.

James K. Bakewell.

Thomas B. Kerr.

*Docket Entries.*

March 11, 1916. Bill filed.

" " " Subpoena issued.

" 13, " Writ returned served on Westinghouse Traction Brake Company by handing to and leaving a true and attested copy thereof with E. A. Craig Manager and Chief of Sales in charge of Westinghouse Traction Brake Company at Pittsburgh, Pa., March 13th, 1916.

April 17, " Answer filed.

May 25, " Amendment to Bill of Complaint filed by leave of Court, def't to have until June 1st to answer Bill as amended.

June 1, " Answer to Amendment to the Bill of Complaint filed.

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July 28, " Notice of motion to amend answer, Affidavit and acceptance of service filed.

" " " Testimony taken before Alex Gilchrist, Jr., a New York, received and filed.

Aug. 8, " Stipulation extending time for taking deposition filed.

" 12, " Precept for appearance of Wm. R. Rummier for Plaintiff filed.

" " " Argument sur application to file counter-claim C. A. V.

Sept. 21, " Stipulation extending time for taking deposition filed.

" 22, " Testimony in behalf of defendant taken at Schenectady, N. Y., rec'd and filed.

- Sept. 30 " Opinion filed and entered denying motion on part of defendant to amend Answer by setting up a counter-claim of infringement.
- Nov. 6 " Dropped from list subject to reinstatement upon præcipe.
- " 11 " Præcipe for Equity Calendar, May Term, 1917. filed.
- Dec. 22 " Stipulation and order as to cost of depositions filed and entered.
- Jan. 9 1917. Amendment to Answer and Order with notice filed.
- " 10 " Depositions of R. P. Tell, W. J. Richards, H. W. Cheney, E. H. Bottum, John H. Hurley, William R. Crawford & B. T. Becker, filed.
- " 20 " Affidavit of N. A. Christensen re continuance filed.
- " " " Affidavits re continuance filed.
- 130
- Feb. 2 " Exhibits (introduced in connection with depositions taken before W. J. Brickley, Notary Public, Milwaukee) received and filed.
- " 13 " Petition of Plaintiffs to dismiss bill filed and entered.
- " " " Affidavit of Niels A. Christensen filed.
- " " " Answer to plaintiff's motion to dismiss filed.
- " " " Motion of def't for judgment upon the record as to certain patents filed.
- " 19 " Copy of Order in General Electric Co. case filed.
- Feb. 21, 1917. Opinion filed and entered granting Petition to Dismiss.
- " 24 " Order of Court dismissing bill filed and entered.
- Mar. 1 " Petition of Defendant for rehearing filed and entered.
- Aug. 3 " Mandate from U. S. Circuit Court of Appeals reversing the decree of this Court with costs, so far, and so far only as it affects patents No. 621,324 and No. 635,280, etc., rec'd and filed:
- Aug. 13 " Præcipe for Equity Calendar filed.
- Oct. 1 " Notes of hearing of October 1st, 1917, filed.
- " " " Decree dismissing bill as to patent No. 635,280, filed and entered.
- " " " Order entered on Equity Calendar:—"Oct. 1, 1917, Dismissed for want of prosecution."
- Dec. 10 " Defendant's Bill of Costs filed.

Certified from the Record, this 26th day of December, A. D. 1917.

(Sgd.)

J. WOOD CLARK,

[SEAL.]

Clerk.

- 131 *From Volume of Printed Testimony in the Suit of Christensen et al v. Westinghouse Traction Brake Company in Equity No. 80, in the District Court of the United States, W. D. of Pennsylvania, from the Testimony of Edward H. Deaon, Taken at New York City, May 17, 18 and 19, 1916, a Witness for Defendants, as follows:*

X Q. 55. How did your opportunity for keeping in touch with the development of air-brakes for electric railways, before you took charge of your present district, differ from that which you have just described?

A. From the time that I went into the employment of the Westinghouse Air-Brake Company, about May 1st, 1901, to the time that I removed from Pittsburgh to New York and became attached to the New York office, I was variously employed as engineer of the Traction Brake Department of the Westinghouse Air-Brake Company, chief engineer of the Westinghouse Traction Brake Company and assistant chief engineer of the Westinghouse Air-Brake Company when my drawing room, as chief engineer of the Westinghouse Traction Brake Company, was merged with the larger drawing room of the Westinghouse Air-Brake Company. During that period, while I was not in regular outside service, I made various trips to different points in connection with traction brakes, both of the compressed air variety and the magnetic track brake, of which the designing was under my direct supervision as chief engineer of the Westinghouse Traction Brake Company.

\* \* \* \* \*

X Q. 128. Do any other companies besides the Westinghouse Traction Brake Company have their offices in New York consolidated with that of the Westinghouse Air-Brake Company?

A. Yes.

X Q. 129. What are the names of such companies?

A. There are numerous companies, among which I might mention The American Brake Company of St. Louis, The Westinghouse Automatic Air & Steam Coupler Company of St. Louis, and the National Brake & Electric Company of Milwaukee.

X Q. 130. Which, if any, of the companies which you have mentioned besides the Westinghouse Traction Brake Company  
132 the Westinghouse Air-Brake Company and the National Brake & Electric Company, are engaged in supplying compressors to electric railways in the United States?

A. Those are the only companies that I am familiar with.

X Q. 131. In the course of your employment as resident engineer of the Westinghouse Air-Brake Company, have you rendered any services for the National Brake & Electric Company of Milwaukee in regard to compressors for electric railways?

Mr. Wright: Objected to as irrelevant and immaterial, and no proper cross-examination.



A. Yes.

X Q. 132. What has been the nature of such services?

Mr. Wright: Same objection.

A. Same as stated in my answer to X Q. 46, with respect to the Westinghouse Air-Brake Company.

X Q. 133. Is it correct to say, then, that the services which you have performed for the Westinghouse Air-Brake Company, the Westinghouse Traction Brake Company, and the National Brake and Electric Company have all been of substantially the same nature?

Mr. Wright: Same objection.

A. Yes.

X Q. 134. So far as you know, what circumstances determine for which of these companies you render service at any particular time?

Mr. Wright: Same objection.

A. I take no particular account as to which company the service is rendered. The nature of the service determines that; that is to say, its relation to the factory in which the product I am dealing with was manufactured.

X Q. 135. You testified before that sometimes you used letterheads of the Westinghouse Air-Brake Company, and sometimes the letterheads of the Westinghouse Traction Brake Company. Do you also sometimes use the letterheads of the National Brake & Electric Company in the course of your duties?

A. The fact is, the stenographer knows what letterhead to use, according to the subject discussed in the letter.

133 X Q. 136. So far as you know, does the stenographer sometimes use the letterheads of the National Brake & Electric Company of Milwaukee in connection with your work for said company?

A. Always when writing to the Milwaukee factory.

X Q. 137. And does this usually relate to equipments installed by the National Brake & Electric Company?

A. Yes, or sold by them.

X Q. 138. By whom is the installation work usually done?

A. Almost invariably by the car builder or the railroad that purchases the equipment.

X Q. 139. You testified, I believe, that some time ago you regarded the National Brake & Electric Company as one of the competitors of the Westinghouse Air-Brake Company or the Westinghouse Traction Brake Company. Do you regard said National Brake & Electric Company as a competitor of either of said other companies at the present time.

A. No.

X Q. 140. What is the relation of these three companies at the present time, so far as you know, with respect to the sales of compressors for electric railways?



Mr. Wright: Objected to as irrelevant and immaterial, also as incompetent and not proper cross-examination, and the witness is advised that he is under no obligations to answer questions as to the confidential relations between these different organizations, or to give any information relating thereto, even if he has such information.

A. That is a matter that I am not posted on.

X Q. 141. What is your best information in that respect?

Mr. Wright: Same objection.

A. As the matter comes to my attention I know that some customers buy compressors manufactured in Milwaukee, and others buy compressors manufactured in Wilmerding. It is my duty to assure myself as far as I can that the compressor under consideration is suitable for the work on which it is to be employed.

X Q. 142. From whom do you obtain your information as to which of said companies is making any particular sale?

A. The order is passed through my office and as previously stated, it is the duty of my office to make sure as far as possible that the order goes to the factory in proper and intelligible form.

X Q. 143. Does the order come direct to your office from the company which is making the sale?

A. It is brought in to me by my assistant or one party or another in the office at 165 Broadway.

X Q. 144. Through what course, so far as you know, does the order go from the time it leaves the office of the company which makes out the order until it reaches your assistant?

Mr. Wright: Same objection which is continued to the entire line of examination seeking to disclose the methods and working of the business and office machinery of these different companies, and the witness is advised that he is under no obligation to disclose this information and that he should decline to do so.

Mr. Rummel: In this connection we wish to call attention to the fact that we do not wish to embarrass the witness in asking him to disclose anything which would be unfair, but inasmuch as the National Brake & Electric Company has already been held as an infringer of one of the patents involved in this suit, and the decree of the District Court affirmed by the United States Circuit Court of Appeals of the Seventh Circuit, and a petition for writ of certiorari has been denied by the Supreme Court, and accounting proceedings for said infringement are now in process in Milwaukee, Wisconsin, and said company has been restrained by permanent injunction of the United States District Court at Milwaukee against the further infringement of this patent, and inasmuch as it appears that the Westinghouse Traction Brake Company, defendant in one of the suits in which testimony is now being taken, and the said National Brake & Electric Company are working together and that the witness is acting for both of these companies as an engineer

and apparently as an agent, that it is manifestly fair and, in fact, apparently necessary that the Court should have a clear understanding of the relation between these various companies, and I therefore submit that it is the duty of the witness, fairly and fully to answer the question put to him in this respect, to the best of his information.

135 Mr. Wright: It is submitted that this witness in his direct examination has not referred in any manner to the National Brake & Electric Company or to any relations between the defendant and that company, and that this entire line of examination is entirely improper cross-examination and that if complainant's counsel is desirous of bringing out or of introducing into this case the relation between these organizations, he should do so in the proper manner. It is also submitted that whatever these relations may be, particular methods of business procedure as to the handling of matters in the office of the Westinghouse Company, with which the witness may have to do, and in which he may have confidential relations with the officers of this company, are not such matters as have a bearing upon the question referred to by plaintiff's counsel, and to such an extent the witness is under no obligation to disclose the confidential workings as to methods employed in his office.

Mr. Rummel: We call attention to the fact that the question asked the witness has naturally arisen in connection with the inquiry of the witness as to his occupation and duty to his employers, and that this is manifestly proper cross-examination.

Mr. Wright: It is submitted that the present question which relates to the particular method of handling orders through the offices of the defendant company is not proper cross-examination, nor, so far as it may call for the disclosure of confidential arrangements, is it competent for this witness to reply.

A. Orders come in by mail and, as is customary, some clerk or other opens the letters, and in case of the orders they are brought to the attention of any parties interested in the different offices, and then before being sent to the factory, are brought to the attention of the engineering department for the purposes above stated, after which they pass through other clerks' hands and are mailed to the factory.

• • • • •  
X Q. 145. Do the orders referred to in your answer to X Q. 144 come direct from the customers to your department?

A. No, they do not.

X Q. 146. Through what course do they come after leaving the customer before they reach your department?

A. I thought I had covered that in my answer to X Q. 144.

136 In Answer I mean to say that the customer's order is sent to 165 Broadway by mail, and then follows the course indicated in that answer.

X Q. 147. What determines to which factory your department sends the order?

A. My department does not send the order to the factory. Clerks in the other offices perform this duty as stated in answer to X Q. 144.

X Q. 148. To what department do they go from your department?

A. Some of them go to the office of the National Brake & Electric Company, Room 2115, 165 Broadway, and others go to the offices of the Westinghouse Companies to a department that might be called the price checking department. Then they go to clerks, whose duties it is to transmit orders to the factory, follow up shipments and correspondence relating in a routine manner to the different orders,

X Q. 149. What determines whether these orders go from your department to the office of the National Brake & Electric Company, or to the office of the Westinghouse Air-Brake company, or to the office of the Westinghouse Traction Brake Company?

A. The nature of the material covered by the order, especially with regard to whether the articles were to be manufactured in Milwaukee or Wilmerding.

X Q. 150. Are the orders always directed on their face to the one of these three companies to which they go?

A. I think they are, but that is a point that we give very little attention to in our department.

137 *From the Volume of Typewritten Testimony in Christensen et al. v. Westinghouse Traction Brake Co., from the Testimony of E. H. Bottum, a Witness Called by Plaintiffs, Taken at Milwaukee, Wisconsin, November 1st, 1916, as follows:*

Q. 24. Mr. Bottum, you were attorney for N. A. Christensen from the period 1902 to 1906 and thereabouts, were you not?

A. Yes, occasionally.

\* \* \* \* \*

Q. 46. Were there any negotiations in March, 1906, looking toward the sale or license of Mr. Christensen's patents?

A. Yes.

Q. 47. With whom were they, and where were they?

By Mr. Kerr: Objected to as merely repeating the testimony of the witness that he has already given, and as incompetent.

A. Mr. H. H. Westinghouse and Mr. Miller.

Q. 48. What Miller was that?

A. That was a Mr. Miller connected with the Westinghouse Co. I don't remember his first name, but I think it was John.

Q. 49. Was it John F. Miller?

A. I believe that was the name.

Q. 50. What company do you mean by the Westinghouse Co.?

A. It was not the Westinghouse Air-Brake Co., but another company which looked after air brakes for electric cars, and the old National Electric Company, which I understood at that time Westinghouse interests had purchased in Milwaukee.

Q. 51. Was it the Westinghouse Traction Brake Co.?

A. Yes, I believe that was the name of it.

Q. 52. Were Mr. Westinghouse and Mr. Miller officers of that company, or connected with it?

By Mr. Kerr: Objected to as immaterial, irrelevant and incompetent.

A. I assumed that. I don't think it went farther than an assumption on my part.

Q. 53. You produced the other day a copy of a letter that you sent to H. H. Westinghouse, which referred to a conference at the Hotel Pfister in March, 1906. I will ask you whether that is the conference to which you have just testified?

A. Yes.

Q. 54. And that is the H. H. Westinghouse to which you refer?

A. Yes, sir.

Q. 55. The Hotel Pfister was in Milwaukee?

A. Yes, sir.

Q. 56. Is the report of that conference as contained in that letter correct?

By Mr. Kerr: Objected to as immaterial, irrelevant and incompetent.

A. It agrees with my recollection.

\* \* \* \* \*

X Q. 69. I show you herewith what purports to be a copy of a letter written by you under date of April 25, 1904, on the 20th Century Limited en route to New York from Chicago, and which is addressed to the National Electric Company, Milwaukee.

\* \* \* \* \*

A. My recollection is that I wrote a letter or communicated some of the things that appear in that letter. There are some expressions there that I would doubt that I used exactly the language in that paper. I could tell better if I could see the original letter.

X Q. 70. The suit referred to in that letter is the suit against the South Side L on the balanced wire patent. Is that correct?

Same objection, and further objected to on the ground that the letter speaks for itself.

A. The letter refers, I think, to a balancing wire.

X Q. 71. And that suit, you understood, was being defended by the Westinghouse Traction Brake Company. Is that correct?

A. I understood, I believe, that Mr. Bell had appeared in it, but I don't know that Mr. Bell used any other expression in talking about it than "Our people." I probably inferred that it was one of the Westinghouse companies that was employing him.

X Q. 72. What happened to that suit?

139 A. Our docket record closes with the filing of a replication.  
X Q. 73. No testimony was taken?

A. So far as I can recollect, not.

X Q. 74. Isn't it also your recollection that the suit was dismissed?

A. I can't say. As I say, our docket record shows nothing except the filing of a replication. That is, shows nothing after the filing of a replication.

X Q. 75. You brought that suit at the instance of the National Electric people, and on behalf of Christensen, did you not?

A. Possibly. I think at the instance also of Christensen, and on behalf of the National Electric Company.

X Q. 76. That is you understood that Mr. Christensen was obligated by reason of his license agreements with the National Electric Co. to bring suits against alleged infringers. Is that correct?

By Mr. Quarles: Objected to as incompetent, irrelevant, immaterial, and not cross-examination, and calling for a conclusion.

A. I don't remember that. I don't remember whether I considered that at the time, or that I went beyond both parties desiring the bill to be filed.

X Q. 77. Did you ever advise the Christensen Engineering Company or the National Electric Company, with regard to the construction or interpretation of any of their licenses with Christensen?

Objected to as incompetent, irrelevant and immaterial and not proper cross-examination, and a privileged communication between attorney and client.

A. I talked over matters that arose between them and Christensen with both of them, as I recollect, once or twice. Further than that I don't at present recollect.

By Mr. Kerr: The notary is requested to mark the paper shown the witness as:

"Defendant's Exhibit Bottum Letter, dated April 25, 1904."

By Mr. Kerr: This is just marked for identification. I am not offering it in evidence.

X Q. 78. Mr. Quarles made a statement with regard to  
140 certain questions which were asked you, and which you refused to answer, that he withdrew on the part of Christensen the plea of a privileged and confidential communication. In view of this do you desire to answer any of those questions?

A. It is a matter of indifference to me. If you repeat the questions why I can answer.

The notary thereupon read the questions referred to to the witness as follows:

"Q. During 1904 or 1905 did you consult with Mr. Christensen or any officials of the Christensen Engineering Company or the National Electric Company, with regard to bringing suit against the

Westinghouse Traction Brake Company on Christensen motor compressor patent 635,280?"

A. I am unable to recollect at this time whether I did.

"Q. Did you consult with any members, any employees or officers of the Christensen Engineering Co. or the National Electric Co. with regard to bringing such a suit?"

A. That is a suit against the Westinghouse Traction Brake Co.?

X Q. 79. Yes, or any Westinghouse Company.

By Mr. Quarles: We object to the question as double.

A. I can't say that I did. I don't recollect that I did.

X Q. 80. You will remember that when you testified here the other day, you produced a letter book copy of a notice with regard to patent 635,280 addressed to the Westinghouse Traction Brake Company, under date of December 12, 1906?

A. Yes, I recollect that clearly.

141 *From the same of Typewritten Testimony in Christensen et al. v. Westinghouse Traction Brake Company, from the Testimony of Richard P. Tell, taken at Milwaukee, Wis., a witness called by plaintiffs, as follows:*

*Testimony Taken October 25, 1916.*

Q. 20. Do you consider the Westinghouse Traction Brake Co. a competitor?

A. Not at the present time, no.

Q. 21. Why not?

A. Because we are now manufacturing for them only.

Q. 22. Well, have they been a competitor of yours since 1906?

A. They were from 1906 on up to a year or so ago.

Q. 23. Who owns all or substantially all of the stock of the National Brake & Electric Co. at the present time?

Mr. Wright: Objected to as entirely immaterial. This question, as well as the entire line of examination regarding the competitors of the National Brake & Electric Co. is objected to as entirely immaterial, and the question as to stock ownership is further objected to as calling for a matter which may be within the knowledge of the witness, but about which it may be a personal matter as to whether or not he shall wish to reply. The witness is advised that as to this question, or any questions which are of a personal nature he is entitled to consult his personal counsel before making answer, and that if he wishes to do so he should decline to answer the question until he has had such opportunity.

Mr. Quarles: I repeat the question and insist on its being answered, and do not understand that a witness is entitled to counsel.

(Question repeated.)



A. Mr. John F. Miller.

Q. 24. Who is Mr. John F. Miller?

A. He is vice-president of the Westinghouse Air-Brake Co.

Q. 25. How long has he held such stock?

A. Since the organization of the Company.

142 Q. 26. You know, do you not, as a matter of fact, that he holds it for the Westinghouse Traction Brake Co.?

Mr. Wright: Same objection and advice to the witness.

A. It is my understanding that that is the case.

Q. 27. You so testified in the action of Niels A. Christensen against the National Brake & Electric Co., did you not?

A. I think so, yes.

\* \* \* \* \*

*Testimony Taken October 27, 1916.*

Q. 228. Mr. Tell, who were the attorneys for your company in the litigation on patent 635,280?

A. You mean the National Brake & Electric Company's attorneys?

Q. 229. Yes.

A. Mr. Charles A. Brown, J. Snowden Bell, and afterwards Mr. Thomas B. Kerr.

Q. 230. Who is Mr. J. Snowden Bell?

A. He is a patent attorney.

Q. 231. Where does he live?

A. I think he lives in New York. His office is in the Singer Building, New York.

Q. 232. Who paid his bills for services in defending your company for that action?

By Mr. Wright: Objected to as irrelevant and immaterial.

A. I don't know.

Q. 233. Can you ascertain and report?

A. I suppose I can.

\* \* \* \* \*

Q. 237. What was your connection with the National Brake & Electric Co. from 1906 to date?

A. Vice-president.

Q. 238. Although you have been vice-president all that time, you don't know whether your company has paid Mr. Bell anything on account of services in connection with that action. Is that correct?

A. I don't know, no, sir.

Q. 239. Will you ascertain and report to us?

Same objection and advice.

143 A. Yes, sir.

Q. 240. Do you know whether you paid Mr. Brown anything other than an annual retainer in connection with that action?



Same objection and advice.

A. No, I don't think we are paying Mr. Brown an annual retainer.

Q. 241. Will you ascertain and report?

A. Yes.

Q. 242. Do you know whether the Westinghouse Traction Brake Co. has paid him anything for services in defending this action?

A. I do not.

Q. 243. Have you any way of ascertaining that fact?

A. No, except by asking them if they are willing to tell me.

Q. 244. I believe I asked you whether you were employed by the Westinghouse Traction Brake Co.?

A. I am not.

Q. 245. Have you ever been?

A. No, sir.

Q. 246. Are you now being compensated by that company?

A. I have received money from Mr. John F. Miller from time to time, which has been given to me in consideration of my services at Milwaukee.

Q. 247. In consideration of your services to whom?

By Mr. Wright: The same objection is continued as to this line of examination.

A. The National Brake & Electric Company.

Q. 248. How often have you received money from Mr. John F. Miller? Regularly?

A. No, not regularly, but quite frequently.

Q. 249. Once a year or oftener?

A. Sometimes.

Q. 250. For how long a time has that continued?

A. Oh, I don't remember now; 6 or 7 years, perhaps.

Q. 251. Have you any way of ascertaining how far back that goes?

A. Yes.

Q. 252. Will you please do so and report?

A. I don't believe I will.

Q. 253. Why not?

144 A. Because I don't think it is of anybody's interest what moneys I may have received outside of my actual salary as an employee of the National Brake & Electric Company.

Q. 254. I did not ask you the amounts, but as to the date when that commenced.

By Mr. Wright: The witness is advised that he is under no obligation to investigate this matter of these payments of these amounts to him.

A. I believe I stated that it dated back 6 or 7 years.

Q. 255. Are you sure it was not back of that?

A. There was one back in 1907.

Q. 256. That Mr. John F. Miller was the John F. Miller in whose name a controlling stock of the National Brake & Electric Company stands, is he not?

A. Yes, sir.

\* \* \* \* \*

Q. 311. Mr. Tell, is it the Westinghouse Traction Brake Company or the Westinghouse Air-Brake Company that has a large open account with the National Brake & Electric Company, and has had for several years?

By Mr. Wright: Objected to as immaterial.

A. The Westinghouse Traction Brake Company.

Q. 312. How large does that account run?

A. That depends upon conditions. Just now they owe us money, and we have owed them money, as high as three or four hundred thousand dollars.

Q. 313. You have owed them money for a good many years upon which they have charged you no interest, is that not correct?

By Mr. Wright: The witness is advised that he is not under obligations to disclose confidential matters as to his account with that company unless he desires to do so.

A. We have paid them interest on some money, and on some we have not.

Q. 314. A good deal more that you have not paid interest on than that you have paid interest on. Is that not correct?

A. No, I think it is the other way.

Q. 315. Are you prepared to say definitely?

A. Yes.

Q. 316. That you have paid them interest on more than you have not?

145 A. Yes, sir, that is my recollection.

Q. 317. But these two companies are owing one another considerable sums, and have been for a good many years; is that not correct?

A. Yes, sir. We did considerable business with each other.

\* \* \* \* \*

Q. 319. Has that Westinghouse Air Brake Company ever advanced to the National Brake & Electric Company money in any considerable sum?

A. No, sir.

Q. 320. Has the Westinghouse Traction Brake Company?

A. Yes, sir.

Q. 321. A good many times?

A. Yes, a good many times.

Q. 322. Who are the present directors of the National Brake & Electric Company?

A. I think it is John F. Miller, A. L. Humphrey, C. J. Ohmstead, W. S. Bartholomew and myself.

Q. 323. That John F. Miller is the Miller about whom you have testified?

A. John F. Miller is the president of our company.

Q. 324. And the man in whose name a controlling amount of the stock stands?

A. Yes, sir.

Q. 325. Who is Mr. Humphrey?

A. He is general manager of the Westinghouse Air Brake Co.

Q. 326. How long has he been a director?

A. I don't know, but for some time.

Q. 327. Several years?

A. Yes.

Q. 328. As far back as 1906?

A. I wouldn't be sure about that, but it is 5 or 6 years anyway.

Q. 329. Can you ascertain and let us know, when you let us know as to these other matters?

A. Yes.

Q. 330. Who is Mr. Ohmstead?

A. Mr. Ohmstead is in charge of the Western Sales District for the Westinghouse Air Brake Company.

Q. 331. How long has he been a director?

A. About 3 years, I think.

Q. 332. Who was his predecessor?

A. I think Mr. Adreon.

146 Q. 333. How long was Mr. Adreon a director?

A. I think he was a director from the organization of the company.

Q. 334. Who is he?

A. He is the vice-president of the American Brake Company, St. Louis.

Q. 335. Is that company affiliated with the Westinghouse Air Brake Company, if you know?

A. I believe so.

Q. 336. Who is Mr. Bartholomew?

A. He is president of the Locomotive Stoker Company.

Q. 337. How long has he been on the Board?

A. About 3 or 4 years.

Q. 338. Who was his predecessor?

A. I don't remember who his predecessor was.

Q. 339. Will you ascertain and report?

A. Yes.

Q. 340. Do you know who Mr. Humphrey's predecessor was?

A. No, I do not.

Q. 341. Will you also ascertain that fact?

A. Yes.

\* \* \* \* \*

*Testimony Taken October 30, 1916.*

Q. 442. Referring to question 232, you were asked to investigate and report whether your Company, that is, the National Brake & Electric Co., paid the bill of Mr. J. Snowden Bell, for defending that Company in the litigation on patent 635,280, to which reference has heretofore been made. Have you that information?

A. I did not find that we paid any.

Q. 443. If you had paid him, your records would show that fact, would they not?

A. Yes, sir.

Q. 444. Did you find any bills rendered by him that were unpaid?

A. I did not look up any bills. I asked our treasurer if we paid any bills to Mr. J. Snowden Bell. He said we had paid some, but he did not believe they applied on the patent suit.

Q. 445. Did you make the same inquiry as to the bill of Charles

A. Brown?

147 A. I think I already answered that we did pay Mr. Brown. I knew that.

Q. 446. I think I asked you whether you paid Mr. Brown anything other than an annual retainer, and you said you did not think that you were paying him that; that you would investigate and report; questions 240 and 241.

A. What I meant was, we don't pay him an annual retainer. We pay his bills as he puts them in.

Q. 447. Did you pay him for his work in equity 474, the case to which I have heretofore referred, on patent 635,280?

A. Yes, sir, that is my recollection.

Q. 448. Will you produce the vouchers in payment of Mr. Brown's fees?

A. I will not.

\* \* \* \* \*

Q. 449. Do these vouchers show in what case the services were rendered?

A. I have testified that we paid Mr. Brown for his services in the Christensen patent suit. I think that is sufficient information. I don't think it is necessary to state what we paid him; the exact amounts.

\* \* \* \* \*

Q. 453. Did anybody reimburse your Company, in whole or in part, for the amounts that your company paid to Mr. Brown on account of his services in this Christensen patent case?

A. No, sir.

Q. 454. Are you sure of that?

A. I am sure of that.

Q. 455. Did you pay any person or any Company anything on account of the services of Mr. J. Snowden Bell, in that case, equity 474, being the Christensen case on patent No. 635,280?

By Mr. Wright: Same objection.

A. I don't know of any.

Q. 456. If there had been, would you know of it?

A. I think so.

Q. 457. Referring to question 329, Mr. Tell, you were asked to let us know who were the directors of the National Brake & Electric Co. from time to time throughout its existence. Have you that information?

A. That is not the way it was given to me. I have got here, "How long has Mr. Humphrey been director of the National  
148 Brake & Electric Co.," and "Who was the predecessor of Mr. Bartholomew as a director, or Mr. Humphrey." Mr. Humphrey has been a director since the organization of the Company, and Mr. Bartholomew succeeded Mr. P. J. Myler?

Q. 458. Who was Mr. Myler?

A. I don't know what his title was exactly. He was connected with the Canadian factory of the Westinghouse Airbrake Co.

Q. 459. An officer?

A. He was an officer of it, yes.

Q. 460. How long was he a director?

A. From the organization up to about 4 years ago, I should say.

Q. 461. When he was succeeded by Mr. Bartholomew?

A. Yes, sir.

\* \* \* \* \*

Q. 608. When did you first meet one of the officials of the Westinghouse Traction Brake Company, or the Westinghouse Air Brake Company in connection with your employment for any of these various companies with which you have been connected, and regarding which you have testified?

By Mr. Wright: Objected to as irrelevant and immaterial.

A. The officials of the Westinghouse Co. did not know me until 1906, so they had nothing to do with any of the companies prior to that, and the first time I met one of them was the day that Mr. Miller came here to find out about the conditions of the shop.

Q. 609. When was that?

A. That was the early part of March, 1906; possibly the end of February. About that time.

Q. 610. Had some one either connected with the Westinghouse Traction Brake Company, or the Westinghouse Air Brake Company, come to see you previous to that time?

Same objection.

A. No, sir.

\* \* \* \* \*

Q. 621. What is the custom with respect to the interchange or transfer of orders for air brake equipment between the National  
149 Brake & Electric Company, the Westinghouse Traction Brake Company, and the Westinghouse Air Brake Company, or any of them?

By Mr. Wright: Objected to as irrelevant, immaterial and incompetent.

A. I am afraid you will have to make that plainer before I can answer that question. I don't understand what you mean by the term "interchange."

Q. 622. Mr. Edward H. Dewson, a witness produced by the Westinghouse Traction Brake Company in this case in New York, testified that there was a relation between the companies that I have mentioned and that sometimes orders were sent to one of the companies from the main office in New York, all of these companies having their offices together, and that sometimes they were sent to another of these companies. I would like to have you state particularly as to what is the relation in this respect with respect to your company and the Westinghouse Traction Brake Company, and also with respect to the relation of your Company to the Westinghouse Air Brake Co.?

Same objection.

A. I think Mr. Dewson made statements about matters that he does not understand or is not familiar with, as it is not in accordance with the facts as far as our company is concerned. There has been no interchange of orders. The National Brake & Electric Company had its own sales department and sold direct to the trade, filling all orders, and carrying their own accounts, collecting for them, and looking after the equipments until 1912. At that time an arrangement was made between the National Brake & Electric Company and the Westinghouse Traction Brake Company whereby the sales managers of that Company, which are divided into four sales districts, took charge of the sales department of the National Brake & Electric Company, and the representatives of that Company worked under their instructions, but still sold our product, and the orders were sent to us just the same as if they had been under my charge, as they had been prior to that. There has been a few cases where the Westinghouse Traction Brake Company has taken orders for air brake equipments, and with companies who were under contract with them to buy all their equipment from them, and in some cases they demanded our compressors, and in accordance with their contract they sent the order to the Westinghouse Traction  
150 Brake Company, and we in turn, got it from them. That included only a compressor. The balance of the equipment was Westinghouse equipment. That has been the only method that we have pursued.

By Mr. Rummel:

Q. 623. The first part of the answer down to and including the word "concerned" is objected to as not responsive, and a motion will be made in due course to strike out this part of the answer.

(Answer read.)

Witness: I might correct that so as not to have a misunderstanding there. Where I said there we did not get the order of the Westinghouse Traction Brake Company's customer, we got the order direct from the Westinghouse Traction Brake Company, and billed it to them, and they in turn billed the entire order, including our compressor and their material direct to their customer. What I

wanted to explain was that they did not send us their customer's order for the compressor. They made out their regular purchase order to us in some cases.

Q. 624. Did the National Brake & Electric Company ever get any orders that they in turn turned over to the Westinghouse Traction Brake Co. to be filled?

A. No, because we never had any exclusive sales arrangements with any customer.

Q. 625. What do you mean by exclusive sales arrangements?

A. A contract whereby the customer would buy all of his air brake equipment and parts therefor from the one manufacturing company.

Q. 626. Do either the National Brake & Electric Company or the Westinghouse Traction Brake Company receive any orders from the Westinghouse Air Brake Company for compressors or compressors valves or motorman's valves?

Same objection.

A. I don't remember of ever seeing any. I don't believe we did. I cannot tell as to the Westinghouse Traction Brake Company, that is sure. I don't know whether the Westinghouse Traction Brake Company gets orders from the Air Brake Company, or not.

Q. 627. Do you manufacture any parts of these devices 151 regarding which I just asked you, or any of them for the Westinghouse Traction Brake Company?

A. We do, on orders from them, yes.

\* \* \* \* \*

Q. 640. Who furnished the capital to purchase the assets of the National Electric Co. for the Wisconsin Brake & Electric Co.?

A. I think the Standard Trust Co. of New York.

Q. 641. Do you know for whom they were furnishing the money?

A. I presume it was for the Westinghouse Traction Brake Co. I have no absolute knowledge of that.

Q. 642. Do you know what was paid for the assets?

A. Yes, if I remember correctly, they paid \$500,000 to the trustee.

\* \* \* \* \*

*Testimony Taken October 31, 1916,*

Q. 658. From whom do you receive your instructions in the management of the National Brake & Electric Co.?

By Mr. Wright: Objected to as irrelevant and immaterial.

A. Principally from Mr. John F. Miller, the president of the company.

Q. 659. Mr. Miller, I believe you stated also was an officer in the



Westinghouse Air Brake Co. Is he also an officer in the Westinghouse Traction Brake Co.?

A. I know he is an officer in the Westinghouse Air Brake Co. but I am not sure of his position with the Traction Brake Co.

\* \* \* \* \*

Q. 664. What persons other than yourself or Mr. Miller, to your knowledge, are stockholders, directors or other officers of the Westinghouse Air Brake Co., and the Westinghouse Traction Brake Co.?

By Mr. Wright: Same objection.

By Mr. Kerr: Objected to because the question contains the implication that the witness is a director of both those companies.

By Mr. Wright: The question is further objected to as  
152 calling for information regarding the private affairs and investments of other persons, regarding which the witness is not bound to give any information.

A. I believe I have stated already that I do not know anything about the affairs so far as stockholders and directors of either of the two companies mentioned are concerned. The only one I could mention, and that is merely presumption, that he is a stockholder, is Mr. Westinghouse. Mr. Humphrey is vice-president, but I do not know if they are directors.

Q. 665. To whom did you report the fact that the Christensen and Allis-Chalmers suit, regarding which you have testified, was brought against the National Brake & Electric Co. at the time of the bringing of such suit? I refer to the officials only which were higher in authority than you were in that company, or in any of the Westinghouse companies.

By Mr. Wright: Same objection as to irrelevancy and immateriality.

A. To the best of my recollection I notified Mr. John F. Miller and Mr. Charles A. Brown.

\* \* \* \* \*

Q. 677. At the time that the National Brake & Electric Co. informed Mr. Christensen that it would no longer operate under the temporary license that had been granted it in 1906, to use up the material on hand, did you send the notice to Mr. Christensen?

A. I think I did.

Q. 678. Were you requested by any official above you in authority to send such notice?

A. I was advised by Mr. Charles A. Brown, our patent attorney, to do it.

Q. 679. Had Mr. Miller at any time told you that you were to be guided by Mr. Charles A. Brown's advice in regard to the patent affairs of your Company?

A. I am not sure, but I presume he had, although Mr. Brown had been patent attorney for the prior companies, and I had always consulted him on patent matters.

113 *From the Typewritten Testimony Taken Before the Master in the Accounting in the Case of Christensen et al. v. National Brake & Electric Co. in the United States District Court for the E. D. of Wisconsin, from the testimony of Richard P. Tell, taken at Milwaukee, Wis., a Witness called on behalf of plaintiffs, as follows:*

*Testimony Taken September 6, 1916.*

Q. 1. You are connected with the defendant, the National Brake & Electric Company, Mr. Tell?

A. Yes, sir.

Q. 2. In what capacity?

A. In the capacity of general manager.

Q. 3. How long have you been general manager.

A. Since 1906.

. . . . .

Q. Now, Mr. Tell, who is the president of the Company?

A. Mr. John P. Miller.

Q. Who is the vice-president?

A. I am.

Q. Does Mr. Miller live in Chicago?

A. No, he lives in Edgewood, Pa.

Q. Are you a member or an officer of the Westinghouse Co.?

A. Yes, sir.

Q. What Westinghouse Co. is that, is that the air brake Company?

A. Westinghouse Air Brake.

. . . . .

Q. What competition did you have?

A. We had the General Electric Co., Allis-Chalmers Co., and Westinghouse Traction Brake Co.

Q. How long did you have the Westinghouse Traction Brake Co. as a competitor?

A. Oh, I cannot tell exactly how long we had them as a competitor. I think up till about 1910 or 1911.

Q. Do you wish to assert here now that the Westinghouse Brake Co. were bona fide competitors of yours?

A. They were competitors as far as our salesmen were concerned.

Q. What do you mean by that?

154 A. That our salesmen were told at what prices to sell the goods, and it made no difference to them as to who the competitor was.

Q. The capital stock of this company was held by the Westinghouse Traction Co. at that time, was it not?

Mr. Spooner: I want to show that this competition of the Westinghouse concern did not afford any basis at all for a change from the list price; that the entire capital stock except a few dummy shares of this company was owned by the Westinghouse Co., and that this is a Westinghouse concern in and of itself in that the stock is all owned and controlled by the Westinghouse Co., and therefore there could not be any bona fide competition as testified to between those two concerns.

Mr. Brown: I submit the question whether or not they are competitors was immaterial as well. The whole inquiry is improper in this accounting.

Mr. Quarles: We are also entitled to prove competition, cutting prices, etc., as affecting the licensee, the Allis-Chalmers Co. Where the defendant has unlawfully cut prices it includes damages for that. I submit that that is material on that ground.

Mr. Spooner: It is also material as a matter of credibility to a small extent. We wish to get into possession of all these facts which are now solely within the control of the defendants. While we are not entitled to anything that is not material, yet on the basis of damage, where they made a reduction in prices as the result of competition as testified, and there was no bona fide competition, except in one or two instances, I think we ought to be entitled to show it.

Objection overruled.

Exception by defendant.

A. Yes.

Q. Mr. Tell, do you know whether or not of your own knowledge there was any working arrangement respecting these devices between the Westinghouse Traction Brake Co. and the General Electric Co.?

A. None to my knowledge.

\* \* \* \* \*

Q. You borrowed money of the banks in the usual course of business?

155 A. We have, but as a rule we borrowed money from the Westinghouse Traction Brake Co.

\* \* \* \* \*

Q. Part of the time on some of the loans, not from banks, you didn't pay any interest?

A. The Westinghouse Traction Brake Co. was an open account on which we have not paid any interest.

Q. They loaned you the money as a matter of book-keeping, I suppose.

A. Yes, or rather, we owe them money and did not pay it. That is the size of it.

\* \* \* \* \*

*Testimony Taken September 22, 1916.*

Witness. There was one other compressor that I did not think of the other day. We only made that in the last year. I want to put that in and state that that is not included in the accounting. That is the type M. W. 1, as shown in catalogue N-434. That shows the cross sections.

Marked "out."

By Mr. Spooner: I ask that this Exhibit N-434, which relates to Mr. Tell's statement, be marked as an exhibit.

Marked: "Plaintiff's Exhibit 38."

Q. How long have you been making this type of compressor, Mr. Tell, referred to in Plaintiff's Exhibit 38, being catalogue N-434?

A. I should say about a year and a half. That is the Westinghouse design. They designed the compressor.

Q. These are equipments you have been manufacturing and selling?

A. Yes, sir.

Q. By "you" I mean the National Brake & Electric Company.

A. Yes.

\* \* \* \* \*

Q. Referring to Exhibit 38 and this device thereby represented, that being N-434, you stated that this was a device you have been making which you forgot when you were last testifying?

A. Yes, sir.

156 Q. Are there any more devices that you have forgotten?

A. No. All our own compressors are in these two catalogues, and this is something we were building for Westinghouse, so it was not in these catalogues, and it was not until after I got back that I thought of this one here.

Q. You have been building this machine referred to in Exhibit 38, being N-434, for the Westinghouse Traction Brake Company?

A. Yes.

Q. And for what other Westinghouse Co.?

A. That is all. Westinghouse Traction Brake Co.

Q. You were making these equipments upon order of them for delivery to them or to their customers, or both?

A. Both.

Q. Have you any of these equipments or devices referred to in Exhibit 38, being catalogue N-434, now in the city or at your plant?

A. Yes.

Q. Do I understand you you have been manufacturing for and selling to the Westinghouse Company?

A. Yes, sir.

Q. Are there any others besides the Westinghouse Traction Brake Co. to whom you have sold these devices manufactured by you?

A. No. Westinghouse Traction Brake Co.

Q. Only that one. Have you records in your office as to the destination of the various orders. The destination of the machines after the order has been entered and filled?

A. I think so. Most of them anyway.

Q. Did you receive your compensation for the manufacture of these machines referred to in Plaintiff's Exhibit 38, being catalogue N-434, from Westinghouse or from the ultimate purchaser?

A. From the Westinghouse Traction Brake Co.

Q. And not from the retail user?

A. No, sir.

\* \* \* \* \*

*Testimony Taken March 26, 1917.*

Q. Who is John F. Miller?

A. He was vice-president of the Westinghouse Air Brake Company at that time.

Q. How long was he connected with the Westinghouse Air Brake Co?

157 A. I don't know.

Q. He was subsequently made president of the National Brake & Electric Co., was he not?

A. Yes, sir.

Q. And held that office until within the last 2 months?

A. Yes, sir.

Q. Who owned the entire capital stock of the Wisconsin Brake & Electric Co.?

A. I don't know who held it.

Q. It was held for the Westinghouse Air Brake Co., was it not?

A. I presume so, yes.

Q. That is your understanding?

A. That is my understanding.

Q. That is your best recollection as to the fact?

A. Yes.

Q. Who owns all of the capital stock of the National Brake & Electric Co.?

A. The Westinghouse Air Brake Co.

Q. How long have they held it?

A. I will change that. It is the Westinghouse Traction Co. and not the Westinghouse Air Brake Co.

Q. Does that change in your answer go also to the Wisconsin Brake & Electric Co.?

A. Yes. That is my understanding, that it is the Westinghouse Traction Brake Co.

Q. The Westinghouse Traction Brake Co. has held the entire capital stock of the National Brake & Electric Co. since its organization?

A. Yes.

Q. It has stood in the name of John F. Miller, most of it, and qualifying shares?

A. Yes, sir.

Q. And that is true as to the Wisconsin Brake & Electric Co.?

A. I don't know how the stock stood in the Wisconsin Brake & Electric Co.

Q. But it is true as to the ownership?

A. As to the ownership.

Q. The minute book referred to, page 60, shows that there were \$500,000.00 of bonds of the National Brake & Electric Co. issued. Do you know to whom those were issued?

A. No, I do not.

Q. Wasn't it to the Westinghouse Air Brake Co.?

158 A. Yes, they got them, but as to who they were actually issued to I don't remember.

Q. They got them very shortly after they were issued, didn't they?

A. I think so. I am not sure whether that is the Air Brake Co. or the Traction Brake Co.

Q. Have you anything here to refresh your recollection as to whether that was the Traction Brake Co. or the Air Brake Co.?

A. No, I cannot tell positively.

Q. It was one or the other?

A. I think so.

Q. I call your attention to the fact that there was an agreement between the Westinghouse Air Brake Co. and the organizers of the National Brake & Electric Co. to place to the credit of the latter, to be drawn as needed, an amount in excess of \$60,000. I ask you whether that refreshes your recollection at all? I call your attention to item marked Folio 9 on the copy I have here of the opening journal entries of the National Brake & Electric Co.

A. You refer to the item of \$185,000?

Q. Yes.

A. My recollection is that the amount of \$185,000 was placed to our credit to complete an expenditure of one million dollars paid out for the purchase of the plant, and the money was drawn as we needed it.

Q. As I understand the record, this plant was purchased by defendant's company from the Wisconsin Brake & Electric Co. by the issue to it of a million dollars' worth of capital stock and half a million dollars of bonds. That purchased the plant, did it?

A. Yes.

Q. You are not at present able to say whether this \$500,000 of bonds went to the Westinghouse Traction Brake Co. or the Westinghouse Air Brake Co.?

A. No, I am not sure about it.

Q. But it went to one or the other?

A. That is my understanding.

\* \* \* \* \*

Q. Referring to the opening journal entry, Mr. Tell, it starts out by saying, the National Brake & Electric Co. takes over from the Wisconsin Brake & Electric Co. all of its assets as follows, for which



it pays its capital stock of one million dollars and agrees to make an issue of bonds to be known as its 25 year 5% sinking fund  
 150 gold bonds to the amount of \$500,000, and to bear date as of July 1, 1906, as per resolutions, etc. Does that refresh your recollection any as to whether those bonds were issued and owned by the Westinghouse Traction Brake Co., which was the owner of the entire stock of the Wisconsin Brake & Electric Co.?

A. I presume they were issued to the Westinghouse Traction Brake Co., but I am not absolutely positive, as I stated before.

Q. What is the connection between the stock ownership of the Westinghouse Traction Brake Co. and the Westinghouse Air Brake Co.?

\* \* \* \* \*

Q. You understand it is controlled by the Westinghouse Air Brake Co.?

A. Yes, that is my understanding.

\* \* \* \* \*

Q. How do you figure the actual cash expenditure of a million dollars?

A. I didn't do the figuring.

Q. Well, can you figure it?

A. As far as I know, they paid \$500,000 to the trustee and they paid some three hundred and odd thousand dollars for settling claims against the bankrupt company; buying up claims and attorneys' fees; so that the entire expenditure for acquiring the plant was somewhere around 812 or 813 thousand dollars, and they paid the other of approximately \$185,000. They gave us that to make it a million dollars actual cash.

\* \* \* \* \*

Q. 474. What was your business, Mr. Tell, before the organization of the Wisconsin Brake & Electric Co.?

A. I was connected with the National Electric Co., and a trustee for that company, in bankruptcy.

Q. 475. For how long and in what capacity?

A. I had been vice-president and general manager from about Sept., 1902, until Dec., 1903. I was secretary and treasurer from that time on.

Q. 476. That is of the National Electric Co.?

A. National Electric Co.

Q. 477. That company was put into bankruptcy in the spring of 1905, was it not?

A. About May, 1905.

160 Q. 478. John I. Beggs was appointed first receiver, and then trustee in bankruptcy?

A. Yes.

Q. 479. What was your connection with Mr. Beggs. Did you operate the company under Mr. Beggs, or assist in operating it?



A. To a large extent, yes.

Q. 480. You were familiar with the transactions of the National Electric Co. and of the company's trustee and receiver in bankruptcy?

A. Yes, sir.

Q. 481. You knew of the existence of the patent to Christensen, No. 635,280?

A. Yes, sir.

Q. 482. And a license agreement between the National Electric Co. and Christensen?

A. Yes.

Q. 483. Is it not a fact that the National Electric Co. paid Christensen royalties under that license agreement?

A. Yes, sir.

\* \* \* \* \*

Q. I think you said this morning that about \$120,000 of the \$500,000 of bonds of defendant company was paid off, and was not taken up by the gold notes. Who advanced the money for payment of those bonds?

A. I think the Westinghouse Traction Brake Co., but I am not sure.

Q. It was either that or the Westinghouse Air Brake Co.?

A. One of the two.

\* \* \* \* \*

550 Q. Did you consider the Westinghouse Traction Brake Co. a competitor of the defendant company?

A. Yes, sir.

551 Q. Even though that company controlled the entire capital stock?

A. Yes, sir.

552 Q. Aside from the two that I have mentioned, the other competitors were the General Electric Company and the Allis-Chalmers Co.?

A. Yes, sir.

553 Q. What was the effect of competition on prices obtained for motor compressors from 1906 on?

161 A. The same as it had been before. It was a case of fighting for business.

554 Q. What was the result? Did prices raise or lower?

A. They naturally lowered.

555 Q. Quite materially?

A. Quite materially.

556 Q. What prices did you use to get for AA1 compressors when you were with the Christensen Engineering Co.?

A. I don't know what we got for compressors. I have a recollection what we got for an equipment.

557 Q. What did you get for an equipment?

About \$285 average.

558 Q. What would be the average price you got for that same equipment with the National Electric Co.?

A. With the National Electric Co. I think it went down as low as \$250 in the latter part of the National Electric Co.

559 Q. With Mr. Beggs as trustee, what would be the average price you obtained for that same equipment?

A. I don't know what we got for AA1's but we got for AA4's, which was a larger size, which was brought out in the meantime, and became the same standard size, we got as low as \$240.

560 Q. AA4 came out at that time?

A. AA4 was brought out in 1904.

561 Q. That was considerably larger than AA1?

A. Yes, it was nearly 50% larger practically 50% larger.

562 Q. What would be the average price for AA1 motor compressors and equipment as sold by the Wisconsin Brake & Electric Co.?

A. The same.

563 Q. That is \$240?

A. Yes.

564 Q. How was the price of that same equipment affected by the National Brake & Electric Co.?

A. We got the same price for the National compressors, the AA4, which is the same capacity, during 1906, and after that prices went down and nearly every proposition was a price-cutting proposition.

565 Q. How low did you go?

A. I think the two lowest propositions were with the Chicago Railways Co., where we went as low as I think it was \$163

162 for that equipment; and the worst of all was with the T. M.

E. R. & L. Co., Milwaukee, where I think we went as low as \$147.50, or about that.

\* \* \* \* \*

Q. Commencing prior to 1911, how were your accounts with the Westinghouse Traction Brake Co. for compressors sold to them, treated on your books?

A. I don't know.

Q. Were they treated the same as any other customer, or were they treated on a different basis?

A. I don't know as we ever sold them.

Q. Did you have any special arrangement with that company after 1911?

A. Yes.

Q. What was that arrangement?

A. I don't remember the details of it any more except in a general way. But they took over the sale of our apparatus, that is as far as the sales management was concerned.

Q. Was there any written agreement between that company, or any letters evidencing any agreement?

A. I think there was.

Q. Was there any action of the board of directors taken in that connection, that you recall?

A. I don't remember.

Q. I will ask you if you will look at the directors' minutes for the 9th of Feb., 1911?

A. I don't know as I have got that here. This ends in 1910. We started a new record book after that.

Q. Will you produce the record book showing a meeting of the directors Feb. 9th, 1911, and any contract, either formal contract or by correspondence, that you may have, showing the arrangement made at or about that time, with the Westinghouse Traction Brake Co.?

A. Yes, sir.

Q. Isn't it a fact that at about that time you opened, on the books of the defendant company, an account known as the Westinghouse Traction Brake Co. trading account, pursuant to this arrangement?

A. Yes, sir.

Q. Do you know what became of that? How that account was operated?

A. No. I think you will find it all explained in that agreement.

Q. Will you also produce the books showing how the account was made up and what became of it? Whether it still appears on the books, or charged off, or whatever else became of it?

A. Yes.

\* \* \* \* \*

Q. Mr. Tell, the capital stock of the defendant company was increased from one million dollars to two million dollars at some time, was it not?

A. Yes, sir.

Q. Do you know when that was done?

A. No, I don't remember the exact date, or the year, even.

Q. That new stock was issued in payment of funds advanced by the Westinghouse Traction Brake Co., wasn't it?

A. Yes, sir.

Q. And paid for in that way?

A. Yes, sir.

\* \* \* \* \*

*Testimony Taken March 27, 1917.*

Q. Isn't it a fact the defendant company sold motor compressors to the Westinghouse Air Brake Co. at cost.

A. Not that I know of.

Q. Referring particularly to compressors of the type known as M W 1, were they not sold to that company on the basis of cost during the year 1915?

A. I don't remember what they were billed at. It may have been that one or two of them—the first ones—that the cost was so high when shipped that I may have simply had them billed at shop

cost. But there has been no other understanding as far as they are concerned, other than we were supposed to bill on a basis of cost plus 25%.

Q. These sales would appear in this Westinghouse Traction Brake Co. trading account, to which Mr. Boyle has referred, until that account was closed out?

A. Yes.

Q. Mr. Tell, referring to your communication to the board of directors as appearing on page 16 of the second minute book, Plaintiffs' Exhibit 73, wherein you say that owing to the unusual and unfair competition that you have had, it has been necessary to take orders at less than factory cost and "the parties guilty of the senseless price cutting are no longer to be considered"

164 I will ask you to what parties or companies you referred by that phraseology?

A. The Allis-Chalmers Co.

667 Q. What did you mean by saying that they were no longer to be considered in Jan., 1911?

A. That they had done so little business, and found out that their policy of trying to cut business by cutting prices beyond all common sense had not been successful, and they had practically gotten to a point where they had stopped that sort of business.

668 Q. That is, you had practically eliminated them as a competitor?

A. I would say that; they are still a competitor.

669 Q. I said practically, as far as their making any large amount of sales. They were a negligible factor as a competitor about this time, when you said that they were no longer to be considered?

A. They had not made a success of the business, and we did not consider them as a strong factor. In fact we felt that the company itself, the men interested in the air brake end of it, were losing interest.

670 Q. That is, you felt that they were no longer a serious competitor in the air brake field?

A. Not from the standpoint of cutting prices.

671 Q. From the standpoint of competition?

A. No, I would not say that. The standpoint of senseless competition. They are still competitors today.

672 Q. Do you consider them as a serious competitor?

By Mr. Brown: Objected to as playing on words; trying to get some phrase or something that the plaintiff may use in some connection. I think the question is incompetent and immaterial.

By the Master: Mr. Tell was called as an adverse witness, and this is in a sense, a cross-examination.

By Mr. Brown: All that is pertinent here is the question to whom he referred in making that statement.

By the Master: Well, he may answer.

Exception by defendant.

A. That depends a great deal on how you look at it. They are

serious on every job they tackle, but they do not tackle many jobs any more; they are tired of the game apparently.

\* \* \* \* \*

165 Said witness was called by the defendant and testified as follows:

\* \* \* \* \*

*Testimony Taken October 16, 1917.*

X Q. 807. Was any resolution or other formal action taken on that matter by the directors?

A. I could not remember now whether there was or not.

X Q. 808. Your recollection is there was not?

A. We talked it over, Mr. Miller and some of the other directors, and by direction of Mr. Miller we didn't write off any depreciation. Whether there was anything said on the minute books of the company I don't know.

X Q. 809. That Miller is the Miller in whose name—(interrupting)—

A. He was president of our company at that time.

X Q. 810. And in whose name practically the entire stock stood, about whom you testified?

A. Yes, sir—John F.

X Q. 811. John F. Miller?

A. Yes, sir.

\* \* \* \* \*

*Testimony Taken January 28, 1918.*

Q. 910. What types of motor compressors has the National Brake & Electric Company sold to or through the Westinghouse Traction Brake Company?

A. All the types it manufactures.

Q. 911. That was so prior to March, 1916, was it?

A. Yes, sir.

\* \* \* \* \*

*Testimony Taken January 29, 1918.*

Q. 947. When you made this arrangement and at the beginning of 1911, what guided you in fixing the price to the Westinghouse Traction Brake Company?

A. I don't know as I understand the question.

Q. 948. I am asking you with reference to the difference between the price that you had made to your customers and the price which you made to the Westinghouse Traction Brake Company, and how you came to fix the price you did to the Westinghouse Traction Brake Company—what relation that bore to

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the previous selling price in which the defendant had included selling expenses?

A. The whole arrangement, as outlined in my letter to the Board of Directors of the National Brake & Electric Company, in January, 1911, was made for the purpose of giving the National Brake & Electric Company more positive assurance of profits, and, as competition, especially in the air brake field, had been most severe. I suggested by combining the National sales offices with Westinghouse National Brake Company's sales offices, and letting the latter company handle all of our sales at their own expense, and sell our apparatus to the Traction Brake Company at a fixed price, that we would be greatly benefited by such an arrangement.

Q. 949. How does the price which was fixed to the Westinghouse Traction Brake Company, plus your experience with selling expenses, compare with the result which you had secured prior to this arrangement?

A. I figured that the arrangement made would net us more money than we would get if we would continue to sell our own apparatus, keep our sales department, and try to get business on the competitive prices that were being made, and the fact has been borne out by the results of some five years' experience.

Q. 950. Are you continuing that arrangement now?

By Mr. Quarles: Objected to as immaterial, being after the close of the accounting period.

By Mr. Brown: The accusation is made that one purpose was to take away from the plaintiff herein profits that were belonging properly to the plaintiff, and if the arrangement is being continued at the present time, when there is no claim on the profits by the plaintiff, it is evidence that is not the reason.

By the Master: Objection overruled.

Exception.

A. The plan has been continued. The Westinghouse Traction & Brake Company are selling all of our compressor products. There have been certain modifications in the last year, however, due to the enormous increase in the cost of production.

Q. 951. What was the relation of the National Brake & Electric Company to the Westinghouse Traction Brake Company in collecting the accounts for the sales of apparatus under this arrangement?

A. It acted as agent for the Westinghouse Traction Brake Company.

By Mr. Quarles: I move that the answer be stricken as a conclusion of law and not a statement of fact. There is no dispute to how things are conducted. We dispute the legal relationship.

By Mr. Brown: Relations of that sort in the business world are recognized and understood by all business men, and I submit it is proper for the witness to state what his understanding of the relation was.

By Mr. Quarles: I submit that he cannot testify that it acted

agent, or vendor or vendee, or debtor or creditor, which is merely a conclusion of law.

By the Master: Motion denied.

Exception.

Q. 952. What was done by the National Brake & Electric Company as to expenses, such as commission, freight, etc., in transactions under this arrangement?

A. All commissions and freight and gratuitous parts furnished for replacement were all charged to the Westinghouse Traction Company's trading account.

\* \* \* \* \*

Q. 957. Please state what the effect of leaving this credit upon the books of the National Brake & Electric Company amounted to—as to whether or not it was, in effect, a loan to the defendant company?

By Mr. Quarles: Objected to—calling for a conclusion of law and not a statement of fact.

By the Master: Overruled.

By Mr. Quarles: Also leading.

By the Master: Overruled.

Exception.

A. It was in the nature of a loan because we didn't have the money to pay what we owed on the account.

Q. 958. Please explain, if you can, the way in which this balance which appeared under the Westinghouse Traction Brake Company's trading account, in 1916, was taken off the books of National Brake & Electric Company?

108 By Mr. Quarles: I submit, if the court please, that has all been gone into—entries have been offered.

By the Master: Witness may answer.

Exception.

A. We were advised by the comptroller of Westinghouse Traction Brake Company and the Westinghouse Air Brake Company that by action taken by the directors of these two companies they had decided to cancel their claims against us, which were partly for money loaned by both companies and also the amount we owed the Traction Company on the trading account.

Q. 959. What was the total amount credited to the defendant company by the Westinghouse Traction Brake Company at that time?

A. It was about \$635,000.



- 160 *From the Testimony of Walter J. Richards, a Witness Called by the Plaintiffs in said Accounting, Taken at Milwaukee, Wisconsin, December 8, 1916, as follows:*

X Q. 385. What is the means employed in the M W 1 compressor for excluding dirt?

A. The motor is made of the so-called enclosed type; that is, its construction makes the motor inherently enclosed. The back end of the motor is formed by the end of the crank chamber, and is formed up tight against a rib, thereby entirely shutting off the back end of the motor. The motor frame itself is made solid so as to give no openings in the same. The front end of the motor is enclosed by means of a close-fitting door. I misunderstood your question, having interpreted the question to refer solely to the motor. What I have stated stands as relates to the motor. As relates to the compressor, the back pressure vent is formed by a cored passageway which leads up along one end of the compressor, thence into the plate covering the compressor, thence downward where the back pressure vent air can impinge against the oil surfaces of the compressor, thereby depositing the oil that is held in suspension. The air being reflected, passes upward through a continuation of the cored passageway and thence downward and between the two cylinders to the valve head connecting in at the suction port. This air is consequently drawn into the suction, to be again acted upon by the piston.

X Q. 389. Is that the construction which you say that you is vented? I have reference to the vent which you have just described.

A. It is.

- 170 *From the Testimony of H. H. Westinghouse, Taken at Westmerding, Pennsylvania, December 13, 1917, a Witness Called by the Defendant in said Accounting as follows:*

Q. 7. Just refer to the patent and give the number and date of it.

A. There was issued to me, in 1881, a patent for a steam engine covering the essential features inquired about; and the number of this patent is 240,482.

A. (con.) Also a patent to H. H. Westinghouse and R. W. Bailey was issued on October 20th, 1891, No. 461,779, having the characteristic features set forth in the question.

A. (con.) And there was issued to H. H. Westinghouse and I. M. Herr, as co-inventors, under date of June 7, 1904, No. 761,733, patent for a combined pump and motor, which also embodied the features inquired about in the question.

. . . . .

Q. 13. Please refer to the Westinghouse and Bailey patent, which you have already mentioned, and say whether or not the apparatus that you have reference to, that was installed in 1889 for the C.

tral Traction Company, is substantially that shown and described in that patent.

A. The general construction and design accords with the illustrations of the patent, except with respect to the manner of driving the compressor. As I have before testified, the means employed were gear wheels, one of which was located on the car axle, and the other on the compressor shaft. In the patent, the method of driving illustrated is by means of grooved friction wheels. The method of pressure-regulating, while accomplishing the same result, is of a different order from the one that was actually used in practice.

\* \* \* \* \*

Q. 22. When did the Westinghouse Traction Brake Company begin to manufacture and sell air brake equipment for surface cars, and how extensively and widely known has that business been?

Question objected to by counsel for plaintiffs as incompetent, irrelevant and immaterial.

By the Master: I assume that that is offered as bearing on the question of damages?

By Mr. Brown: Yes.

171 Objection overruled.  
Exception noted to plaintiffs.  
(Question read.)

A. The Westinghouse Traction Brake Company has never manufactured brake apparatus, but they engaged in its sale—in its introduction and sale immediately succeeding its incorporation. The business has assumed large proportions and has extended over the entire country. The company is regarded as one of the principal suppliers of brake apparatus of the type which it is engaged in selling.

Q. 23. Please state, if you know, what type of Motor Compressor was first introduced and sold by the Westinghouse Traction Brake Company.

(Pamphlets handed witness.)

A. The type shown in the catalog of the Westinghouse Air Brake Company describing "Motor Driven Duplex Air compressor" copyright date 1900.

\* \* \* \* \*

Q. 29. Will you please give a brief statement of the history of the purchase of the National Electric Company by the Westinghouse Traction Brake Company?

A. The Westinghouse Air Brake Company had been solicited by parties interested in or controlling the National Brake & Electric Company to purchase the company, but the terms upon which it could be acquired were never attractive, or of a character to lead to

any arrangement for the acquisition of that property. When the affairs of the National Brake & Electric Company became——

Q. 30. Excuse me, that is the National——

A. National Electric Company—became involved and the property passed into the hands of a Trustee, the subject was again brought to our attention through Mr. Samuel McMunn, who stated that he was in a position to carry on negotiations for the purchase of property upon terms that he thought we would find attractive. As a result of his presentation of the matter, the Westinghouse Air Brake Company authorized an investigation of the condition of the company and ascertain terms upon which it could be acquired, and then purchased it from the Trustee.

\* \* \* \* \*

Q. 33. If you at any time had a conference with Mr. Christensen subsequent to the negotiations that you have referred to, please state when this was, and who were present, and what the substance of the conversation that you had at that time

was.

A. At approximately the time when the purchase of the property of the National Electric Company from the assignee was completed, about March 30th, 1906, I had a meeting with Mr. Christensen at the Hotel Pfister in Milwaukee, at which there were also present his counsel, Mr. E. H. Bottum, and Mr. John F. Miller, vice president of the Westinghouse Air Brake Company. At that meeting, we discussed with Mr. Christensen and Mr. Bottum the question of some arrangement whereby we might continue to manufacture under the several patents owned by Mr. Christensen. The general result of this conference was an offer on our part to make an arrangement upon a specified basis, which we considered to be one that we could afford to enter into. This proposition made by us was taken under consideration by Mr. Christensen, but was not accepted.

Q. 34. Did you, subsequent to the time of this interview with Mr. Christensen, receive a letter from Mr. Bottum relating to the matter discussed?

A. I did. At this meeting I requested him to write me giving the numbers and titles of patents owned by Mr. Christensen relating to the air brake art, pointing out their scope in a general way. In response to this request, he wrote, giving the desired information and also his understanding of the proposition submitted by us to Mr. Christensen for the use of his patents at the conference already referred to.

Q. 35. I call your attention to Plaintiff's Exhibit 25, found on page 66 of the typewritten record in the suit of Christensen vs. Westinghouse Traction Brake Company, in the United States District Court for the Western District of Pennsylvania, and ask you whether this is a copy of the letter which you have just referred to—(handing record to witness).

A. It is.

Mr. Brown: I ask that the letter referred to be copied into the record at this point.

Mr. Quarles: We have no objection to this on the ground of its being a copy, but we do object, that it is incompetent, irrelevant and immaterial, and not within the issues of this case.

By the Master: The letter may be admitted.

Exception noted to plaintiffs.

The letter referred to is as follows:

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"April 5, 1906.

Mr. H. H. Westinghouse, c/o Westinghouse Air Brake Company,  
Wilmerding, Pennsylvania.

DEAR SIR:

At your request we have gone over the Christensen patents embodied in the Christensen license for the manufacture of air brakes for electric cars only.

We understand that you wish an opinion in general form in relation to these patents and their subject matter without making it so prolix as a minute analysis of the several claims would necessitate. Nearly all of these patents were procured by us for N. A. Christensen and in presenting these applications to the patent office we became familiar with the state of the art in a large degree. In this opinion we give you our conclusions in distinction from giving the reasons upon which we have formed them.

The first patent is No. 625,540, May 23rd, 1899, covering among other things claims for an engineer's valve having handle removable in lap or neutral position only. This feature we consider novel and highly necessary in street car equipments.

Patent No. 727,252, dated June 20, 1899, pertains to automatic lubrication of the armature bearing in a combined motor and compressor. The claims are quite broad and full, and, in our opinion, cover the application of these features in any practicable combination.

Patent No. 635,280, dated October 17, 1899, is for a combined compressor and motor the claims of which cover broadly what we consider the leading features of a successful machine of this class.

Patent No. 644,128, dated February 27, 1900, relates to automatic controller for electric compressors, covered in thirteen different claims.

Patent No. 646,618, dated April 3, 1900, is in the nature of an improvement on Patent 625,540, with some additional features.

Patent No. 648,145, dated April 24, 1900, is for boxing or housing of an air compressor when suspended from a railway car and is covered by ten claims.

Patent No. 668,615, dated February 19, 1901, contains eight claims relating to combinations whereby a number of motor cars can be connected together and operated as one unit.

Patent No. 679,945, dated August 6, 1901, contains five claims wherein a separate reservoir is provided for blowing of

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a compressed air whistle without interfering with the operation of the brakes.

Patent No. 681,103, dated August 20, 1901, relates to a system of brake levers for railway cars in combination with hand brakes, air or power brakes.

Patent No. 692,362, dated February 4, 1902, relates to the same subject matter as Patent No. 568,613.

Patent No. 701,843, dated June 10th, 1902, relates to the same subject matter as Patent No. 644,128, and contains nine claims.

Patent No. 624,544, dated April 27, 1903, contains four claims and covers the construction of an electric brush holder for motors, comprising a simple, instantaneous adjustment of the brushholder tension.

We have cited above the various patents which, as we understand it, have thus far been used for air brake apparatus for electric cars by the National Electric Company or the Christensen Engineering Company.

Referring to our conference in this city of March 30th, as we remember your statements, you were unwilling to carry out any of the terms of the present Christensen licenses, but you were willing to enter into a new agreement whereby, for a period of two years, you would pay our client a royalty of \$3.50 each for AA1 compressors, and the larger sizes in the same proportion—use to be limited to air brake purposes only, with a minimum of \$10,000 in royalties per annum and a retainer to our client of \$2,500 per annum, as consulting engineer, subject to three months' notice of discontinuance of said contracts by either side, and also that you would not care to enter into any kind of arrangement for foreign countries except England upon similar basis as United States, and that you intended to divide the combined orders obtained by your Pittsburgh and Milwaukee shops, and that you did not intend to use the Christensen apparatus to any greater extent than in that proportion, but that you might perhaps use parts of the Christensen apparatus in both places.

We should be pleased to have your written confirmation of this proposition, in order to submit it to our client, who is, naturally, anxious to have a complete understanding and an amicable settlement as speedily as possible.

175 We expect you will be fair and just in this matter so that our client will feel rewarded for the earnest work bestowed on the development of his apparatus.

The writer has been extremely busy with court matters, hence this apparent delay in writing you. Please let us know whether our apprehension of your proposition is correct.

Yours very truly,

WINKLER, FLANDERS, SMITH,  
BOTTUM & FAWSETT."

Q. 36. Please state whether an answer of this letter of Mr. Bottum's was made.

A. Yes.

Q. 37. Please look at Plaintiffs' Exhibit No. 26, in the record already referred to, and state whether that is a copy of the letter which you wrote at that time?

A. It is.

Mr. Brown: I ask that this letter also be copied into the record at this point.

Mr. Quarles: No objection.

The letter just above referred to is as follows:

"Letterhead of The Westinghouse Air Brake Company.

Copy.

NEW YORK, April 11, 1906.

For attention of Mr. Bottum:

Messrs. Winkler, Flanders, Smith, Bottum & Fawcett, Milwaukee, Wis.

GENTLEMEN:

Yours of April 5th received and noted, and I am much obliged to you for the information contained with reference to the Christensen patents.

Referring to the latter portion of your letter in which you relate your general understanding of our conversation, would say that it differs in some important respects from the impression I intended to leave. As our Vice-President, Mr. John F. Miller, expects to be in Milwaukee the latter part of this week, I have asked him to see you with reference to the matter in question.

Truly yours,

H. H. WESTINGHOUSE."

176 Mr. Brown:

Q. 38. Please state whether or not there were any further conferences between you and Mr. Christensen, or what further was done with reference to taking a license under the Christensen patents?

A. I had no further conferences with Mr. Christensen, but subsequently the National Brake & Electric Company made an arrangement with him for the right to complete the manufacture of certain machines under process of construction at the time the property was purchased.

Q. 39. Please state whether or not you heard further from Mr. Bottum or Mr. Christensen with reference to this matter.

A. We had no further communication from either of them relative to the proposition made at the Hotel Pfister conference previously referred to.

Q. 40. What was the next information that you had with reference to the matter of the licensing by Christensen to any one under his patents?

A. We were advised that he had made an arrangement with the



Allis-Chalmers Company to manufacture motor-driven compressors under his patents.

\* \* \* \* \*

Q. 54. Please state what steps, if any, you took to determine the question whether or not there was infringement of the Christensen patent by the type of compressor which it was decided that the National Brake & Electric Company should manufacture.

Mr. Quarles: To what date is that question directed, Mr. Brown?

Mr. Brown: Any date subsequent to the time that this was submitted in this Wilmerding meeting.

Mr. Quarles: It seems to me that it is immaterial. It may be that that has been covered, however, by Mr. Wright's testimony.

Mr. Brown: Mr. Wright's testimony in the main case, you mean?

Mr. Quarles: Yes, page 194.

By the Master: Any objection to it now?

Mr. Quarles: If that is what it is directed to, no.

(Question read.)

A. After definitely deciding the type we desired to make, it was submitted to our chief counsel, Mr. Bakewell, and also to Mr. Bell—

Mr. J. Snowden Bell—and to Mr. Wright, for consideration  
177 and to report as to our right to make that particular form without infringing upon any one's rights. I recall that in this case we exercised particular care—as in following a course that was our uniform practice in dealing with matters of this kind. We were desirous of avoiding any basis for a conflict with Mr. Christensen.

Q. 55. Please state generally what the opinions of the counsel you consulted were upon this point.

Mr. Quarles: Objected to, as immaterial, and, if the opinions were in writing, as not the best evidence.

Objection sustained.

Exception noted to defendant.

Q. 56. Please state whether or not the opinions you refer to that you received from these counsel were in writing.

A. To the best of my recollection, they were.

Q. 57. Please state whether or not you felt warranted, in view of the opinions you received, in directing the manufacture of the compressor referred to.

Mr. Quarles: Objected to, as immaterial and irrelevant, as to what was in this witness's mind at the time; the sole question for us is as to what was done by the defendant. The question of wanton infringement is the one that is under consideration. Also, as no foundation for the question, as the opinions have not been produced.

Objection overruled.

Exception noted to plaintiffs.

(Question read.)



A. I did.

Q. 58. In the interview with Mr. Christensen and Mr. Bottura at the Pfister Hotel, on March 30, 1906, was there any suggestion that the apparatus made by the Westinghouse Air Brake Company and sold by the Westinghouse Traction Brake Company was an infringement of the patent here in suit?

Objected to by counsel for plaintiffs, as immaterial and not within the issues of this case, and not referring to the defendant company in any wise, or anything that it manufactured.

Objection overruled.

Exception noted to plaintiffs.

A. No.

\* \* \* \* \*

178 XQ. 82. Did you consider the National Brake & Electric Company, the defendant in this case, a competitor of either the Westinghouse Air Brake Company or Traction Brake Company on and after 1906?

A. We considered the National Brake & Electric Company as supplying a field, and a type of machine, in which the apparatus furnished by the Traction Brake Company was not found as marketable as that of the National Company.

X Q. 83. And that relationship still continues true, or did up to 1916?

A. To a limited extent.

\* \* \* \* \*

Q. 141. Please state, if you know, whether any suit had been begun by Christensen or his licensees against a user of Westinghouse Air Brake Company apparatus prior to 1906; and, if so, on what patent or invention was this suit brought?

A. Christensen brought action against the Chicago Elevated Railway for infringement of a balancing wire patent used in connection with apparatus supplied by the Westinghouse Air Brake Company. The date of that suit I am not quite sure of, but I think it was in 1904.

\* \* \* \* \*

X Q. 110. Will you refer to the last page of that catalog or bulletin? There is a list of affiliated companies given, which, I notice, does not contain the defendant, the National Brake & Electric Company. It is a fact, is it not, that that company was not generally advertised to the trade as being an affiliated with either the Westinghouse Air Brake Company or the Westinghouse Traction Brake Company?

A. I do not recall that it was so advertised.

179 *From the Testimony of John F. Miller, Taken at Wilmerding, Pennsylvania, December 14, 1917, a Witness Called by the Defendant in said Accounting, as Follows:*

Q. 3. Are you familiar with the transaction which resulted in the ownership of the Wisconsin Brake & Electric Company and the National Brake & Electric Company by the Westinghouse Air Brake Company?

A. Yes, sir, quite familiar.

Q. 4. I will ask you to give a history of this transaction, and also of the policy of the Westinghouse Air Brake Company in its control of the National Brake & Electric Company since the purchase of the latter property. I will call your attention to the letter written by you to Mr. Westinghouse under date of September 29, 1917, a copy of which has been furnished to counsel for plaintiffs, and suggest that you make such use of that in your answer as you see fit.

Mr. Quarles: I object to the portion of the question which has to do with the policy of conducting the business of the defendant company as immaterial.

Mr. Brown: I think it is material, if the Court please; the matter has been brought out or questioned by counsel for plaintiffs in different ways. The question is intended to elicit substantially the information contained in this letter, which refers to the Westinghouse Traction Brake trading account, which is a part of the policy of this company, and which can be discussed by the witness directly in answer to this question.

Mr. Quarles: It seems to me the question is too broad.

By the Master: It is a pretty general question, but I will overrule the objection and take the answer.

Exception noted to plaintiffs.

A. In the winter of 1905 and 1906 or the early spring of 1906, we were approached by a Mr. McMunn, who advised us in respect to the financial difficulties of the National Electric Company, at that time in the hands of Mr. John I. Beggs, as Trustee in Bankruptcy, and urged upon us the desirability of securing this property by its purchase, when sold under the bankruptcy proceedings.

180 The matter was thoroughly considered and discussed by the manager of the Air Brake Company, and, after a time, it was agreed that if it could be secured at a fair price we would undertake to do it. In connection therewith, accounts or claims against the National Brake & Electric Company were purchased to the amount of \$738,225.83, and, on March 26, 1906, the assets of the National Electric Company were purchased from John I. Beggs, Trustee in Bankruptcy, by Charles L. Sullivan, of Chicago, acting on behalf of the Westinghouse Air Brake Company. The accepted bid for the property was \$500,000, and this amount was paid by the Westinghouse Air Brake Company by two drafts drawn by the East Pittsburgh National Bank of Wilmerding, Pa., one to the order of John I. Beggs, Trustee, for \$475,000, and one to the order of Fidelity Trust Company of Milwaukee for \$25,000. A charter was

acquired under the laws of Wisconsin, under the name of Wisconsin Brake & Electric Company, and title to the property was taken by the Wisconsin Brake & Electric Company. The National Brake & Electric Company, likewise a corporation of Wisconsin, was subsequently incorporated with a capital stock of one million dollars, and transfer of the property was made from the Wisconsin Brake & Electric Company to the National Brake & Electric Company.

Q. 5. Will you please proceed with the answer? State what steps were taken to provide the National Brake & Electric Company with working capital.

A. To provide the National Brake & Electric Company with necessary working capital, they were given a credit on the books of the Air Brake Company of \$185,000, which amount was, in due course, paid to the National Brake & Electric Company and charged against our investment. The Air Brake Company also purchased venture bonds issued by the National Brake & Electric Company to the sum of \$500,000, paying the full par cash value thereof.

Q. 6. What, then, was the amount of cash invested by the Westinghouse Air Brake Company in the National Brake & Electric Company for the property which that company was organized to take over?

Mr. Quarles: That is objected to, as incompetent, irrelevant and immaterial; the sole question being that we contend what was invested in the assets of the National Brake & Electric Company, exclusive of any money that was used to buy up claims to control the bankruptcy proceedings.

Objection overruled.

Exception noted to plaintiffs.

A. As explained in the previous answer, the accepted bid for the property—for the assets of the National Electric Company was \$500,000, paid in cash. The claims purchased amounted to \$738,25.83. Legal and other expenses charged against the transaction aggregated \$10,381.53; making a total expenditure for the purchase of the property and of the claims of \$1,248,607.36. In settlement of the claims purchased and held against the National Electric Company, in the final distribution of proceeds made by the Trustee in bankruptcy, the Westinghouse Air Brake Company received \$431,045.57; by which the net cost of the assets of the National Electric Company to the Westinghouse Air Brake Company was reduced to \$817,561.79.

Q. 7. Please explain a little more fully the reasons for buying up the claims that you have spoken about, and say whether or not this was acquired in order to make the purchase of the assets of the bankrupt.

A. It appeared to be the best way to proceed in the purchase of the assets of the National Electric Company, to secure a large proportion of the outstanding claims against the company which could be used practically in the purchase of the assets at the sale in bankruptcy. The amount secured for the property at the sale, of course, controlled entirely the amount which was distributed against the

claims. Had the property been sold for a larger amount, we would have received a proportionally larger amount on the amount of claims we held, or, if it had been sold for a less amount, we would have received a less amount.

Q. 8. Will you please state what the amount of capital stock of the National Brake & Electric Company was placed at when the company was organized, and the basis for reaching the figure you will mention?

A. The authorized capital stock of the National Brake & Electric Company was one million dollars, and the authorized issue of debenture bonds was \$500,000. To provide the National Brake & Electric Company with necessary working capital, the Air Brake Company supplied \$185,000; by which its investment was increased to \$1,002,561.79—I don't know that I got that question exactly; it seems to me I have given this before; and I don't want to repeat.

182 Q. 9. I will ask another question. What did the \$500,000 of debenture bonds represent?

A. Actual cash paid for those bonds by the Westinghouse Air Brake Company.

Q. 10. You are an officer of the Westinghouse Traction Brake Company, are you not?

A. Yes, sir, Vice-President.

Q. 11. Will you please state when that company was organized and the object of its organization?

A. The company was originally organized as the Standard Traction Brake Company, under the laws of New Jersey, on April 28, 1901. The name was changed to Westinghouse Traction Brake Company on December 1, 1902. It was organized to carry on that part of the business of the Westinghouse Air Brake Company which is directly concerned with equipment for traction or electrically operated railways, as contrasted with steam railways.

Q. 12. What control has the Westinghouse Traction Brake Company had of the National Brake & Electric Company since the latter company was organized.

A. The capital stock of the National Brake & Electric Company owned by the Westinghouse Air Brake Company from the date of the incorporation of the National Company until July 31, 1911, was then transferred to the Westinghouse Traction Brake Company by a proper entry on the books of both the Air Brake Company and the Traction Brake Company. The essential reason for that transfer lay in the fact that the Westinghouse Traction Brake Company was engaged in the sale of traction brake apparatus which was manufactured partly at Milwaukee and partly at Wilmerding. At that time it was thought that we might eventually incorporate or consolidate the Westinghouse Traction Brake Company and the National Brake & Electric Company so that the Westinghouse Traction Brake Company would have its own manufacturing plant, and naturally that arrangement would be more easily consummated by having the stock of the National Brake & Electric Company owned by the Westinghouse Traction Brake Company, although essentially it made no difference

at all, since the capital stock of both companies was owned entirely by the Westinghouse Air Brake Company.

Q. 13. You have been President of the National Brake & Electric Company for a considerable time, since that company was organized, have you not?

A. From November 15th, 1910, to February 27th, 1917, I  
183 was continuously the President of the National Brake & Electric Company.

Q. 14. Will you please give a list of the officers and directors of the National Brake & Electric Company since its organization?

A. From organization until November 15th, 1910, Mr. Charles L. Sullivan of Chicago, was President of the National Brake & Electric Company; and its Board of Directors were Messrs. Charles L. Sullivan, George P. Miller, of Milwaukee, Paul J. Myler, vice-president at that time of the Canadian Westinghouse Company, E. L. Adreon, at that time vice-president of the American Brake Company of St. Louis, and R. P. Tell, of Milwaukee. On November 15th, 1910, the following Board of Directors were chosen: Messrs. E. L. Adreon, R. P. Tell, Paul J. Myler, A. L. Humphrey, and John F. Miller. On October 29th, 1912, Mr. H. H. Westinghouse was chosen a director in place of Mr. Paul J. Myler, resigned. In 1913, the number of Directors was increased from five to seven, and the following members were elected: Messrs. H. H. Westinghouse, A. L. Humphrey, John F. Miller, E. L. Adreon, R. P. Tell, W. S. Bartholomew, who  
184 was at that time the Western Manager of the Westinghouse Air Brake Company, and R. F. Emery, secretary and treasurer of the Westinghouse Air Brake Company. After Mr. Adreon's death, Mr. C. J. Olmstead, named the Western Manager of the Westinghouse Air Brake Company, was chosen a Director, on January 29th, 1914. Since the last-mentioned date, there has been no change in the company's directors. On February 27th, 1917, Mr. R. P. Tell was elected President of the National Brake & Electric Company, John F. Miller resigned. I was then elected Vice-President; so that the present officers of the company are: President, R. P. Tell; Vice-Presidents, John F. Miller and A. L. Humphrey; Secretary and Treasurer, W. K. Boyle; Assistant Secretary, R. F. Emery.

\* \* \* \* \*

Q. 16. In February, 1911, an arrangement was made between the Westinghouse Traction Brake Company and the National Brake & Electric Company, as appears from the evidence herein, with reference to the sale of apparatus made by the National Brake & Electric Company through the Westinghouse Traction Brake Company. Who directed that arrangement?

A. I was responsible for it.

184 Q. 17. Plaintiffs' counsel have charged, with reference to this arrangement, that it was fraudulent, with the design of evading the tax of the state of Wisconsin and of defrauding Christensen, one of the plaintiffs herein, in connection with the profits upon apparatus that has since been found to infringe a patent of

Christensen. Will you please state the reason for making this arrangement?

A. The arrangement was made solely for the benefit of the National Brake & Electric Company in the effort to increase the net earnings of that company, which had not been satisfactory. Prior to 1911, both the Traction Brake Company and the National Brake & Electric Company maintained their own sales departments, with separate offices in the larger cities. It seemed to me that a saving might be made and the profits or net earnings of the National Brake & Electric Company increased by reducing, as far as possible and expedient, the expenses,—the aggregate expenses of both companies. The most practical way of accomplishing this result was to abandon the duplication of offices and sales expenses. To this end, the Westinghouse Traction Brake Company undertook to do all the selling, relieving the National Brake & Electric Company from all selling expense, closing the separate offices in the various cities, and thus combining the sales force. The practical result was that the National Brake & Electric Company confined itself to the manufacture of the apparatus and avoided the expense of selling it, which, as indicated, had been in some measure a duplicate expense. As can be shown by the accounts of both companies, both the Traction Brake Company and the National Brake & Electric Company, this plan was successful in reducing the double expense of the two companies and, in that way, reduced the expenses and increased the net earnings of the National Brake & Electric Company. I have not the figures at hand, but I made an investigation of it in 1916, and satisfied myself that the amount of saving effected thus increased the net earnings of the National Brake & Electric Company in the five year period by not less than \$80,000.

It might be pertinent to explain here that, in a sense, the National Brake & Electric Company was my baby. I had induced our Board of Directors to expend a large sum of money in the extension of the plant at Milwaukee and provide additional facilities, in the hope of making it a paying proposition, and I naturally used every possible means at my disposal to make a reasonable showing for the company, and in a number of transactions, I have favored the National Brake & Electric Company at which seem to be the expense of the parent company. I certainly had no other object in view in this transaction, or any other that I have been responsible for.

Q. 18. Were you present at an interview in Milwaukee at the Pfister Hotel, at which Mr. Christensen and his attorney, Mr. Bottom, as well as Mr. H. H. Westinghouse, were present?

A. I was.

Q. 19. Will you please state briefly the substance of the discussion at that meeting?

A. The purpose of the conference was to ascertain if it were possible to negotiate an arrangement with Mr. Christensen whereby the National Brake & Electric Company would continue—or, as was at that time, the Wisconsin Brake & Electric Company—would continue to manufacture various types of compressors and other



apparatus previously manufactured by the National Electric Company, under Mr. Christensen's license, provided an arrangement could be made at what we considered a proper and reasonable cost.

Q. 20. And was any arrangement concluded at that conference?

A. No; at that conference, a proposition was made to Mr. Christensen and his attorney, which was taken under advisement by them.

Q. 21. Was any answer ever made, so far as you know, by Mr. Christensen or his attorney to that proposition?

A. Not to my knowledge.

Q. 22. What was the next that you knew about the arrangement with Mr. Christensen?

A. I was advised that Mr. Christensen, not being satisfied with the proposition that we had made him, had arranged to grant a license to the Allis-Chalmers Manufacturing Company, of Milwaukee, for the manufacture under his patents.

Q. 23. What was the date of this conference that you have referred to at the Pfister Hotel with Mr. Christensen and his attorney?

A. I believe it was March the 30th, 1906.

Q. 24. About what time were you again in Milwaukee?

A. About the 15th of April, 1906.

Q. 25. At that time, did you have another interview with Mr. Christensen?

A. I did.

Mr. Quarlee:

186 Q. 26. Was that April 30th?

A. About the middle of April, about the 15th of April.

Mr. Brown:

Q. 27. What did you discuss with Mr. Christensen at that time?

A. With Mr. Christensen and Mr. Bottum—I think the larger part of the negotiations was through Mr. Bottum. We desired to secure an arrangement under which we could complete the manufacture of Christensen type of compressors which were then in course of manufacture, amounting, I think, to about one hundred equipments, which orders had been accepted and had been partly manufactured.

Q. 28. This was the agreement of April 18th, 1906, which has been introduced in evidence?

A. Yes, sir.

Q. 29. When the National Brake & Electric Company embarked in the business of making the motor compressors which are involved in this suit, please state what steps were taken to satisfy those in control of the company that there would be no infringement of patent rights?

Objected to by counsel for plaintiffs, as immaterial.

Objection overruled.

Exception noted to plaintiffs.



A. There was a full explanation made of the plans under which we proposed to operate and the compressors which we proposed manufacture to the various patent counsel of the company, in an effort to avoid any possible infringement of anyone's rights. That has always been the policy of the Westinghouse Air Brake Company; in something like forty-seven years of business, I think that is the first infringement they have defended.

X Q. 106. Was the defendant company considered a competitor of the Traction Brake Company in the traction brake business since 1906?

A. I don't think so.

X Q. 107. Is it entirely owned and controlled by the Air Brake Company and Traction Brake Company, and for that reason you would not consider it a competitor?

A. Not in the sense of being a company in other hands, but they have been competitive in the sense that we always put the selling force of one company up against the selling force of the other company, in an effort to see which would get the best results.

X Q. 108. And the public was encouraged to look upon them as competitors, was it not?

A. No effort was made to encourage them in that belief.

X Q. 109. Or to discourage them?

A. Or to discourage them.

X Q. 110. It was not customary to list it in your list of affiliate companies in publications, I suppose?

A. I believe not.

188 *From the Testimony of W. K. Boyle, Taken at Milwaukee, Wis., a Witness Called by the Plaintiffs in said Accounting, as Follows:*

*Testimony Taken March 26, 1917.*

Q. There has been some question raised here as to the way sales were handled after the 9th of Feb., 1911, when an arrangement was made between the defendant company and the Westinghouse Traction Brake Co. Mr. Tell was asked to produce the contract between the companies. Have you that contract with you?

A. The wording of that contract is in the minute book. That is not the contract; it is the wording of an agreement or arrangement—we will say an arrangement entered into.

*Testimony Taken March 27, 1917.*

Q. We were speaking yesterday of the arrangement with the Westinghouse Traction Brake Co., and I think we referred to the minute book. Is that here?

A. Yes, sir. (Produces same.)

By Mr. Quarlee: I offer from the second minute book of defendant Company the following, appearing upon page 16 thereof, being part of the meeting of the board of directors of defendant company, held Feb. 9th, 1911.

"The following communication was presented:

MILWAUKEE, WIS., January 3rd, 1911.

Board of Directors, National Brake & Electric Co., Milwaukee, Wisc.

GENTLEMEN:

The unusual and unfair competition that we have encountered in the past 4 years in the sale of our air brake apparatus and compressors has brought about a general reduction of prices and at times it has become necessary to take orders at less than factory cost.

Although we have been successful in maintaining our position in the air brake field, and the parties guilty of the senseless price cutting are no longer to be considered, there is a possibility of this situation continuing on account of the recent price cutting on the part of another competitor, which would simply mean that in order to maintain our position we would have to meet reduced prices and without any hopes for deriving any profits from our air brake and compressor products for probably a considerable period.

It has been suggested that we make an arrangement with the Westinghouse Traction Brake Co., whereby, in consideration of this company turning over the control of its sales department to them, they will take our output of air brakes, air compressors, and repair parts therefor, on a basis of factory cost plus 25%; in addition thereto, they to reimburse us for all the expenses of our sales department and its employees, and a further fixed amount of \$1000 per month to be spent by us for advertising purposes.

Our sales department and sales offices to be continued in our name, but under the complete control and direction of the Traction Brake Co. and its respective district manager.

This proposed arrangement to include any arrangement that may be made with the Westinghouse Electric & Manufacturing Co. for the handling of our air brake apparatus on combined bids, and also any existing arrangements for the sale of National Apparatus with agents on commission basis.

Traction Brake Co. to have privilege of selling National air compressors for portable or stationary work, and also air brake apparatus in connection with other parts of traction Brake Co.'s air brake apparatus.

All orders taken by National sales organization are to be shipped and billed by National Company, and collections of such accounts

to be made by National Co. Traction Brake Co. to be credited with net proceeds of such sales.

All National apparatus sold by Traction Brake Co. to be purchased through their purchasing department and billed to same at our lowest selling prices, and amount received by us to be credited to Traction Brake Co.'s account.

Traction Brake Co. will be charged at factory cost plus a percentage covering commercial expenses, fixed charges and profits, of 25% for all shipments made by National Co. consisting of air brake apparatus, air compressors and all repair parts therefor.

Traction Brake Co. will also be charged for all expenses of salesmen and sales offices as per accounts to be approved by respective district manager of Traction Brake Co. Traction Brake Co. will also be charged \$1000 per month for advertising.

It is furthermore understood that any employee of the National Co. not employed in the sales department, can be called upon at any time by Traction Brake Co.'s district managers to assist in selling National apparatus, in which case his expenses for the time being will be charged to Traction Brake Co.

This proposed arrangement would enable our company to maintain its position in the air brake field without danger of operating at an actual loss due to the unusual competitive conditions existing in the air brake field, and would insure us a safe return and profit on our manufacturing costs, and I would recommend that same be made at an early date.

Trusting this will meet with your approval, I am

Very truly yours,

R. P. TELL,  
*General Manager.' "*

The plan outlined in the foregoing letter of vice-president and general manager Tell was given careful consideration and, upon motion, duly seconded, the recommendations contained therein were unanimously approved by the board, and the general manager was authorized to execute any contracts necessary to carry the same into effect.

Q. After that arrangement referred to in that communication, Mr. Boyle, how were the sales accounts handled on the books of the defendant company?

A. As stated in there, with few exceptions.

Q. Sales are first entered in the sales book, are they not?

A. Yes, sir.

Q. And the total sales from the sales book, less any returns, would be credited to what account?

A. We had our trading account; what we called trading account.

Q. What was the full title of that account?

A. It was trading account.

Q. You have it here; suppose you refer to it.

A. Yes, we changed it from time to time. We called it trading account at the start. It was called trading account to August 1st, 1914, and then from that time on it was just trading account sales.

Q. Wasn't there a Westinghouse Traction Brake Co. trading account?

A. Those were not our sales. These are our sales.

191 Q. What is contained in the Westinghouse Traction Brake Co. trading account.

A. The billing to the customer.

Q. Will you refer to that account, please?

A. Here it is.

Q. Does that continue under that name?

A. That continues up until the same time. We split it into sales and costs, beginning Aug. 1st, 1914.

Q. That is account #51?

A. Yes.

Q. How were items handled in that account? When goods were sold were they charged to the purchaser and credited to this account?

A. Yes.

Q. And that account would show the total sales price as per sales book, less returns, if any?

A. That would have to be worked out. That account included costs and sales, you see, for a certain period of time.

Q. What do you mean by costs and sales?

A. We bill the Westinghouse Traction Brake Co. for what we considered our costs to them against their sales. That is these were their sales; not our sales.

Q. That is, these were sales that they made of apparatus that you manufactured?

A. Yes, sir.

Q. Let us take a concrete example; suppose you make a compressor which they sell to John Smith. How was that handled on your books?

A. We kept the account for them in the name of John Smith.

Q. That is, you charged John Smith with the sales price?

A. We charged John Smith for them; for the Westinghouse Traction Brake Co. Then that amount was credited to them in the Westinghouse Traction Brake Co. trading account.

Q. So that the compressor would be charged to the purchaser at sales price, and that amount credited to the Westinghouse Traction Brake Co. trading account?

A. Yes.

Q. That was the way these sales were handled after the opening of this account, while it was in force?

A. Yes.

192 Q. How were collections made of these accounts that were charged to the customer and credited to this Traction Brake Co. trading account?

A. We handled the collections for them.

Q. How were the entries made when the money was collected?

A. Charge cash, credit the customer's account; their customer's account.

Q. Was the money turned over to the Westinghouse Traction Brake Co.?

A. Not at the time.

Q. Was it ever?

A. The equivalent was.

Q. What do you mean by the equivalent?

A. By the way the net amount of the account was finally handled.

Q. The net amount of the account would be the selling price less cost, plus percentage and sundry payments on account, wouldn't it? That is what is shown by this Westinghouse Traction Brake Co. trading account, is it not?

A. Yes.

Q. Is it a fact that there were somewhere in round numbers around \$20,000 of payments on account, isn't it?

A. I think it shows in the book.

Q. Will you find out what the amount is? Possibly I can help you by giving you some dates. March 31st, 1914, I think there was an item of \$27,750.

A. And August 31st, 1914, an equivalent of \$1100, yes.

Q. Are there any others?

A. That is all.

Q. That item of \$27,750, what was that?

A. It was the balance of the amount from issue of gold notes. After liquidating balance of gold notes, a balance due Westinghouse Traction Brake Co. on loans as of 2-28-14.

Q. That was the balance due the Traction Brake Co. on readjustment of gold notes. Is that correct?

A. Yes.

Q. And the item of \$1100? What was that?

A. That was some notes that we held of the St. Louis Car Co. that they took over.

Q. By "they" you mean the Traction Brake Co.

A. The Westinghouse Traction Brake Co.

Q. Will you read those entries into the record? First, of this \$1100 item as it is shown on the books.

A. Just as it appears here?

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Q. Yes.

A. "Westinghouse Traction Brake Co. Profit and loss account. To bills receivable 7% preferred stock certificate #653, dated Jan. 31st, 1911, of St. Louis Car Co., in name of John F. Miller, covering 11 shares of stock, being turned over to W. T. B. Co. as per verbal understanding between Mr. Miller and ourselves, while in Milwaukee, Oct. 21st, 1914. No dividend was ever paid. Given to W T B Co. in part liquidation of debt. See correspondence attached to journal entry #858."

Q. That what you have just read is the journal entry as it appears on page 384 of your journal?

A. Yes, our journal B.

By Mr. Quarles: I offer in evidence, if the court please, that journal, and the ledger to which the items therein referred to have been posted.

By the Master: They may be received.

By Mr. Quarles: I might make a formal offer of these 3 journals and this ledger at one time, and ask that they be given one exhibit number. I intend to read the entries in, and let the defendant withdraw the books.

Two journals and one ledger, marked:  
"Plaintiff's Exhibit 72, WJB."

Q. Will you now refer to the entry showing the transfer of this \$27,750 item and read that into the record?

A. "Westinghouse Traction Brake Company Profit and Loss account to Westinghouse Traction Brake Company Loan account. Balance of amount from issue of gold notes after liquidating balance of gold bonds and balance due Westinghouse Traction Brake Company on loans as of 2-28-14. Treated in this manner in order to reduce the above liability account as well as it being considered that additional funds will not be required by us for some time."

Q. To what account was that charged in the ledger?

A. The Westinghouse Traction Brake Co. profit and loss account.

Q. To what account credited?

A. The Westinghouse Traction Brake Co. loan account.

Q. It is a fact, isn't it, Mr. Boyle, that the balance of this Westinghouse Traction Brake Co. trading account was charged into profit and loss in or about 1916?

A. Yes.

194 Q. Can you give me what that balance was? The date was July 31, 1916, was it?

A. \$285,977.28.

Q. Will you read that entry into the record?

A. That journal is not here.

Q. Will you make a copy of that entry from the journal and send it to the reporter?

A. Yes.

By Mr. Quarles: Any objection to that on the ground the book is not here, Mr. Brown?

By Mr. Brown: No.

(Copy in when received from Mr. Boyle.)

Q. What was the amount of that account on Feb. 29th, 1916?

A. \$262,251.32.

Q. Between that date and the date of the closing out of the account there were merely credits on the account accounting for the increase from \$262,000 to \$285,000, were there not?

A. Yes.

Q. I call your attention to an item appearing on page 44 of this minute book, being the second minute book of the company, which I now offer, and ask that it be marked Plaintiff's Exhibit 73.

Marked Plaintiff's Exhibit 73, W. J. B.

By Mr. Quarles: The item I refer to appears on page 44. I will ask you if that is the same as the journal entry that I have asked you to produce?



A. Yes.

By Mr. Quarles: I will then read that entry into the record.

By the Master: Mr. Boyle need not produce that.

By Mr. Quarles: No, if that is the same.

Q. Read it into the record.

"Westinghouse Traction Brake Co. trading account. . \$285,977.28

"Westinghouse Traction Brake Co., loan account. . . . 50,000.00

Q. Those are debits?

A. To surplus account. We may have our profits and loss on that.

195 Q. Suppose you produce the other anyway, so we can be sure of it.

"To surplus account. . . . . \$335,977.28

"Entry to record action of directors of the Westinghouse Traction Brake Company cancelling above obligation."

By Mr. Quarles: I also offer in evidence page 43 of the second minute book of defendant company, being Plaintiff's Ex. 73, the following, being a part of a report of vice-president Tell to a special meeting of the board of directors held Nov. 14, 1916:

"Vice-President Tell then reviewed the operation of the National Steel Foundries since incorporation, and likewise, of the Milwaukee Locomotive Manufacturing Company, during the past two years, as shown by various statements on file, with which members of the board were familiar, and as set forth in the above mentioned report of Messrs. Ernest Reckitt & Company. He further bro't to the attention of the board, written authority from the management of the Westinghouse Traction Brake Company for charging off the losses reported by these subsidiary Companies of the National Brake & Electric Company to July 31, 1916, and asked the approval of the Board for the following journal entries which are self explanatory."

\* \* \* \* \*

Q. In addition to this Westinghouse Traction Brake Company trading account, an account was kept known as account 29, Westinghouse Traction Brake Co. loan account, was there not?

A. Yes.

Q. What did that account indicate, what was kept in that account?

A. The amount that we received from them.

Q. As advances?

A. As advances, to carry on business.

Q. What became of those advances, as shown by that account?

Were they repaid in cash, or were they capitalized by issue of stock?

A. Capitalized.

Q. Can you turn to that entry?

A. I have it. It appears on page 63 of the journal.



196 Q. I will ask you to read that and the preceding entry into the record. Read them in the order in which they occur.

A. "Treasury stock to capital stock." Each item in there is one million.

Q. The first one is in the left-hand column, and the second in the right?

A. "Increase in capital stock authorized at special meeting of the stockholders held on Oct. 25, 1911, and effective Dec. 7, 1911. Date of recording papers in office of recorder of deeds etc. for Milwaukee County, Wisconsin, as stamped on documents on file. Approved at adjourned annual meeting Nov. 15, 1911."

Q. And the second entry?

A. "Westinghouse Traction Brake Com-	
pany .....	\$700,000
"Westinghouse Traction Brake Com-	
pany .....	\$700,000

Covering transfer of treasury stock to Westinghouse Traction Brake Company, being in liquidation of demand notes totaling \$685,212.49 given them from time to time for money advanced our company, and which notes have been returned. Of interest amounting to \$8,737.46 due on said notes as of November 15, 1911, and of cash payment of \$6,050.05 received Nov. 22, 1911, to make total indebtedness an even \$700,000, as of Nov. 30th, 1911, all being in accordance with action taken at special meeting of stockholders held Oct. 25, 1911, and approved at regular adjourned annual meeting of stockholders held on Nov. 15, 1911."

Q. Will you read the entry appearing on page 76 of this journal B, the second entry?

A. "Westinghouse Traction Brake	
Company .....	\$100,000.00
Treasury stock .....	\$100,000.00

Covering purchases of 1000 shares of treasury stock by the Westinghouse Traction Brake Company, for which stock certificate #28 was issued under date of Feb. 23, 1912. Action to be taken upon sale at our next directors' meeting."

Q. Those 3 entries, as I understand it, account for the authorized increase of capital stock of defendant company from one million dollars to two million dollars, and the issue of \$800,000 of  
197 that stock to the Westinghouse Traction Brake Co. Is that correct?

A. Yes.

Q. The first entry shows, does it not, that \$700,000 of that stock was paid for by cancelling advances that had been made to the defendant company by the Westinghouse Traction Brake Company?

A. Yes; the equivalent.

Q. That is, they took the stock for money that they had advanced? The Traction Brake Company did?

A. Yes; the equivalent.

Q. What do you mean by the equivalent? Do you mean that they took stock for their advances plus interest?

A. As it shows there, yes.

Q. Well, is that correct? Their advances plus accrued interest?

A. Yes.

\* \* \* \* \*

*Testimony Taken April 6, 1917.*

Q. 301. You were asked to produce the entry as of July 31st, 1916, writing off Westinghouse Traction Brake Company Trading Account and crediting either Profit and Loss, or Surplus Account the item of \$285,977.28. Will you read that item?

A. Westinghouse T B Co. Profit and Loss Account	285 977 28
Westinghouse T B Co. Loan Account .....	50 000 00

To Profit and Loss .....	335 977 28
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Entry to record action of directors of the Westinghouse Traction Brake Company canceling above obligation.

Q. 302. There were two other adjustments made on the same day, were there not, to Profit and Loss, one a debit and one a credit of large amounts, amounts in excess of \$300,000?

A. Yes.

Q. 303. Will you read those items, please?

198	A. Profit and Loss .....	651 029 80
	To National Steel Foundries ..	259 333 55
	Milwaukee Loco Manufacturing Company	391 696 25
	Entry to record action of directors in assuming deficit of above two subsidiary companies, Westinghouse Air Brake Co. Loan Account .....	300 000 00
	To profit and Loss .....	300 000 00

Entry to record action of directors of the Westinghouse Traction Brake Company in assuming and then canceling the above obligation.

Q. 304. Will you also produce before the Master the directors' resolutions referred to in those items which I think appear at pages 44 to 46 of the minute book "B," Plaintiff's Exhibit 73?

A. I have it.

By Mr. Quarles: I offer that resolution, commencing at the middle of page 43 and ending near the bottom of page 44, and ask that it be copied into the record.

By the Master: It may be received.

Copied as follows:

"Thereupon, on motion duly supported and unanimously adopted it was resolved that the action of the management in incor

porating the National Steel Foundries under the laws of Wisconsin, and subscribing for its entire capital stock consisting of fifty shares of the par value of \$100 each, and in handling the product of the company's steel foundry through the agency of this subsidiary company, be, and the same is hereby approved, confirmed and ratified.

"Vice-President Tell then reviewed the operation of the National Steel Foundries since incorporation, and likewise, of the Milwaukee Locomotive Manufacturing Company, during the past two years, as shown by various statements on file, with which members of the Board were familiar, and as set forth in the above mentioned reports of Messrs. Ernest Reckitt & Company. He further brought to the attention of the Board, written authority from the management of the Westinghouse Traction Brake Company for charging off the losses reported by these subsidiary companies of the National Brake & Electric Company to July 31st, 1916, and asked the approval of the Board for the following journal entries, which are self explanatory:

#### National Steel Foundries Co.

National Brake & Electric Co. ....	259 333 55	
To surplus .....		259 333 55
Entry to record action of Directors of the N. B. & E. Co. in assuming Deficit of the Foundries Co.		

#### Milwaukee Locomotive Mfg. Co.

Surplus .....	275 170 85	
To Locomotive Development Acct .....		253 729 40
Gear Box .....		9 008 41
Gas Engine .....		12 433 04
Reduction of Development Accounts, leaving balance of \$30,000.00 in Locomotive Development Account, per instructions of Board, such developments being of uncertain value.		
National Brake & Electric Co. ....	391 696 25	
To surplus account .....		391 696 25
Entry to record action of Directors of the N B & E Co. in assuming Deficit of the Milwaukee Locomotive Manfg. Co.		

## National Brake &amp; Electric Co.

Surplus .....	651 029 80	
To National Steel Foundries .....		259 333
Milwaukee Locomotive Mfg. Co. ....		391 696
Entry to record action of Directors in assuming Deficit of the above two subsidiary companies.		
Westinghouse Air Brake Co. Loan Acct. . .	300 000 00	
To Surplus Account .....		300 000
Entry to record action of Directors of the Westinghouse Traction Brake Co. in assuming and then canceling the above obligation.		
Westinghouse Trac. Brake Co. Trading Acct. ....	285 977 28	
200		
Westinghouse Trac. Brake Co. Loan Acct. .	50 000 00	
To surplus .....		335 977
Entry to record action of Directors of the Westinghouse Traction Brake Co. canceling above obligation.		

"After due consideration, on motion duly seconded and unanimously adopted, the proper Officers of the National Brake & Electric Company and of its subsidiary Companies, the National Steel Foundries and the Milwaukee Locomotive Manufacturing Company, were authorized and instructed to make said described entries of July 31, 1916, in the Journals of said Companies respectively

'201 *From the Testimony of John A. Spibey, Taken at Milwaukee, Wis., a witness called by the plaintiffs in said Account as follows:*

*Testimony Taken April 6, 1917.*

Q. 432. In making up account, Plaintiff's Exhibit 1, was taken in account as a credit to defendant, any interest on the Westinghouse Traction Brake Co. trading account?

A. Yes.

Q. 433. Was that interest actually paid to the Traction Brake Co.?

A. As far as my recollection goes, none was paid. I am not quite sure, about that though. There may have been some small amount.

Q. 434. But it was a comparatively small amount, if any?

A. Yes. As far as my recollection goes, none was paid.

Q. 441. Was there any interest paid on Westinghouse Traction Brake Co. loans?

A. I have an impression that interest was paid through the

italization of it, but not directly through a cash transaction; by a cash payment. That is my impression.

Q. 422. That is, the capital stock was issued for interest, but no cash was passed for interest?

A. Yes, that is my impression. There was no interest taken up on the books on capital stock. That I know.

Q. 443. And therefore, no money was paid?

A. No, not on capital stock. As far as my recollection goes no interest was paid on anything but the bonds.

Q. 444. That is, as far as you now recall no interest was paid on either Westinghouse Traction Brake Co., or Westinghouse Air Brake Co. loan account, but if your previous answer is erroneous you want the right to correct it?

A. Yes, sir.

\* \* \* \* \*

Q. 454. On apparatus sold after Feb. 1st, 1911, what did you take as the sales price?

A. The price at which the apparatus was sold.

Q. 455. The price at which it was billed to the customer, or the price at which it was charged to the Westinghouse Traction Co. trading account?

202 A. The price at which it was charged to the Westinghouse Traction Brake Company account, being the price at which it was sold.

\* \* \* \* \*

Q. 457. Then in figuring the sales prices you did not ascertain or take into consideration the fact that 285 thousand odd dollars of credit in that account were closed into its profit and loss account?

A. No.

Q. 458. Then if that is a fact, and if that amount corresponds approximately to the difference between the price at which these compressors were billed to the customers, and the price at which they were charged into this trading account, the latter price would not be the sales price, would it?

A. Yes, it would be the sales price according to my understanding. There was an arrangement in force between the Company and the Westinghouse Traction Brake Co. by which these compressors were sold to the Westinghouse Traction Brake Co. It is incorporated in the minute book of the company, and I believe in correspondence between Mr. Tell and the directors of the Westinghouse Traction Brake Co., and has been in existence for the last 6 years.

Q. 459. And pursuant to that arrangement the defendant billed these compressors direct to the customers, did it not?

A. Yes, it was part of the arrangement that they should.

Q. 460. And collected it from the customers?

A. Yes.

Q. 461. To follow that out to its logical conclusion it would have to remit to the Traction Brake Co. the amounts so collected, would it not?

A. Not necessarily.

Q. 462. Why not?

A. They might allow, as they did the Westinghouse Traction Brake Co. to remain as a credit on their accounts.

Q. 463. If they closed it into profit and loss then the defendant gets the credit for it, does it not?

A. If I understood the testimony this morning, the account was closed into profit and loss because the obligation was forgiven by the Westinghouse Traction Brake Co.

Q. 464. Then the defendant gets the credit for it?

A. Yes, the defendant gets the credit for it.

Q. 465. And it keeps the money?

A. Yes.

203 Q. 466. And it makes a profit on it?

A. Well, I think there wasn't any profit. That is a matter of fact.

Q. 467. Well, it keeps the profit:

A. Yes, if there was any.

Q. 468. When did you first know that this item was charged into profit and loss? Today?

A. Yes, this is the first time it has come to my certain knowledge today. I had heard something about it in our office some time ago, but I have not paid any attention to it, and this is really the first time that the item has come to my attention so that I really understood what the entry was.

\* \* \* \* \*

Said witness testified for defendant as follows:

*Testimony Taken October 18, 1917.*

Q. 572. Subsequent to February 1, 1911, are the sales of infringing apparatus, as shown in Plaintiff's Exhibit 1. 1-A, and 1-B, determined in the same way as the sales prior to February 1, 1911?

A. The underlying basis is the same. That is, we have not resorted to apportionments of selling prices where a separate price was charged for the compressor alone, but from February 1, 1911, to the close of the infringing period, as regards apparatus used for air brake purposes, and for the half year from February 1, 1911, to July 31, 1911, as regards the apparatus used for industrial purposes, there was an arrangement entered into with the Westinghouse Traction Brake Company in regard to the sales. Under this arrangement the sales above mentioned were charged to Westinghouse Traction Brake Company in an account known as the Westinghouse Traction Brake Company trading account at a price based upon the estimated factory cost, plus a percentage which was, as originally outlined in the arrangement, 25%, but which was subsequently varied between no percentage and 37½%. In figuring the selling prices of this apparatus after February 1, 1911, we have taken these prices which the apparatus was charged to the Westinghouse Traction Brake Company. As regards industrial apparatus sold after July 31, 1911, which was excluded from the arrangement, we have ascertained the

prices on this in the same manner as the prices for the infringing apparatus prior to February 1, 1911. Under the arrangement  
 204 selling expenses, such as prepaid freight, customs duties and commissions, and so on, were to be paid by the Westinghouse Traction Brake Company, and consequently we didn't need to take that into account as regards those charged in Westinghouse Traction Brake Company trading account. Also the cost of installation was borne by the Westinghouse Traction Brake Company. In addition to all this, all selling expenses in connection with this apparatus included in the arrangement were charged to Westinghouse Traction Brake Company for a period of ten months after the inception of the arrangement, and for the balance of the time, down to the close of the infringing period, were paid directly by the Westinghouse Traction Brake Company.

Q. 573. In what account were these items to the Westinghouse Traction Brake Company carried on the defendant company's books?

A. An account entitled "Westinghouse Traction Brake Company Trading Account" to which I have referred in my previous answer.

\* \* \* \* \*

Q. 578. Can you calculate the amount of the selling expenses which the defendant company saved as a result of its arrangement with the Westinghouse Traction Brake Company?

A. Yes, they can be calculated.

Q. 579. Have you calculated them?

A. Yes—calculated on the basis of the expense which was paid prior to February 1, 1911, by the defendant company.

Q. 580. What is the result of your calculation?

A. The result was to show that on the basis mentioned defendant company saved \$390,026 selling expense, of which the infringing compressors and repair parts are entitled to be credited with approximately \$234,015, this second calculation being ascertained by the percentage which the infringing compressor and repair parts bear in dollars and cents to the entire sales, including accessories and accessory repair parts.

Q. 581. Have you prepared any statement respecting this matter?

A. Yes, I did prepare a statement.

Q. 582. Will you produce it?

A. Why I haven't a copy, but a copy of the same is attached to the brief filed by Mr. Brown here shown me—rather it is not attached, it is incorporated in the brief, I should have said.

205 That statement shows, as I mentioned in a previous answer, the saving on selling expense, apportioning the infringing compressor and repair parts, of \$234,015, which was \$70,333 in excess of the net credit to Westinghouse Traction Brake Company trading account during the infringing period, arising from infringing apparatus as determined by comparing the plaintiffs' account with that filed on behalf of the defendant.

Q. 583. Has any payment been made by the defendant company to the Westinghouse Company on this account?

A. Yes.

Q. 584. What was that payment?



A. The defendant company paid over to Westinghouse Traction Brake Company \$1,100 in securities of the St. Louis Car Company; also turned over \$27,750 par value of their own stock which was charged against Westinghouse Traction Brake Company trading account; they also disbursed \$61,808.28 selling expenses from February 1, 1911, to October 31, 1911, which were charged against the Westinghouse Traction Brake Company trading account, which, in pursuance of the arrangement, were paid out on behalf of Westinghouse Traction Brake Company.

Q. 586. What have you to say as to the gain on compressors through the arrangement and the gain on repair parts? Was there any disparity between them?

A. Yes, there was quite a marked disparity. \$70,330, which I have previously stated was the gain I figured to the defendant company through the arrangement, of course arose from both compressors and repair parts, since both are included in the account. However, this figure is apportioned between compressors and repair parts. The saving on the compressors figures \$112,000 approximately, whereas on the repair parts it shows the reverse way by some forty odd thousand dollars. The reason for this is because the margin of difference between the prices at which the compressors were charged the Westinghouse Traction Brake Company and the price which they were charged to the customer was much less than the margin of difference between which the repair parts were charged to the Westinghouse Traction Brake Company and the prices at which they were charged to the customer. This result indirectly arises because the books of the company show that the difference between the selling prices of repair parts and their factory cost is much greater than the difference between the selling price of compressors and the estimated factory cost, or the factory cost of compressors. These figures as to the cost of repair parts and the cost of compressors, and the yield from them when sold, are clear and distinct on the books of the company. There is no confusion or commingling of the sales or costs of the two upon the books.

Q. 587. Wherein does your apportionment of selling expenses against the infringing business differ from the apportionment made by plaintiffs' accountant?

A. I spoke yesterday of the commercial expense, but did not refer to the selling expense.

A. (Continuing:) It differs for two reasons, or rather three reasons, two of which have already been referred to, but which for the sake of completeness I will again refer to briefly. One is the elimination by plaintiffs' accountants of the selling expenses from August 1, 1908, to December 1, 1908. The other is the inclusion by plaintiffs' accountants in the selling expense of the item of \$61,808.28 selling expenses from February 1, 1911, to October 31, 1911, which were charged on the books to Westinghouse Traction Brake Company trading account, and which are not shown in our account, and the amount of sales shown by plaintiffs' accountants after February 1, 1911, to which reference has been made, which naturally result

in a heavier apportionment of selling expenses against sales for this period of nine months. The other reason to which I have not previously referred I remember is the inclusion by plaintiffs' accountants of an item of \$1,530.92 under commercial expenses instead of selling expenses, where it is shown in our account in the years 1910 and 1911.

Q. 588. Why did you put this item into selling expense and apportion it as such?

A. Because it appears on the books of the company under a separate classification, which does not identify it as either, but my information was that it related solely to selling of air brake and industrial compressor apparatus, and therefore I classified it as selling expense and apportioned it accordingly.

\* \* \* \* \*

*Testimony Taken October 24, 1917.*

R. D. Q. 920. Please state, if you can, what, if any, reason there has existed and exists for any departure from the established  
207 practice in the methods of bookkeeping of the National Brake & Electric Company.

A. The accounts of this company have been kept in accordance with instructions and directions received from Westinghouse Air Brake Company, and my understanding is that in accordance with those directions depreciation was left out of the account for a period of years. It also explains the Westinghouse Traction Brake Company trading account, which is somewhat different from ordinary methods of keeping books, although it is not entirely singular, and there may be other features in which this company kept its books other than the ordinary established practice on account of the circumstances that were controlled absolutely as far as bookkeeping methods are concerned by the accountants and executives of the Westinghouse Air Brake Company.

\* \* \* \* \*

R. D. Q. 955. You have referred to the control of the defendant company by the Westinghouse Air Brake Company. Do you mean the Westinghouse Air Brake Company or the Westinghouse Traction Brake Company?

A. The Westinghouse Air Brake Company controls both companies. The Westinghouse Traction Brake Company does not maintain a separate organization except it keeps separate books, but the office organization and the managerial organization of the two companies are identical, so whether I said they controlled the Westinghouse Traction or Westinghouse Air Brake would mean the same in this connection.

- 208 *From the Testimony of Ernest Reekitt, Taken at Milwaukee, Wis., December 26, 1917, a Witness Called on Behalf of Defendants in said Accounting, as follows:*

X Q. 72. My understanding of Mr. John F. Miller's testimony was that it was transferred from the Traction Brake Co. to the Air Brake Co. in 1911?

A. No. If he said that it was probably a slip of the tongue.

X Q. 73. I see that I was in error in my question, Mr. Reekitt. Mr. Miller testified that it was transferred from the Air Brake Co. to the Traction Brake Co. in 1911. I understand the fact to be that this two million par value stock was carried on their books at a million and a half throughout the time that the capital stock was at that value, and through the close of the infusing period? Is that correct?

A. I don't know anything about the books of the Westinghouse Air Brake Co. or subsidiaries prior to Aug. 1st, 1913, except in a very general way; not in any way that I could swear to. But I can state that the value of the National Brake & Electric Company's capital stock was carried on the books of the Westinghouse Traction Brake Co. up to July 31st, 1916, at \$1,500,000.

\* \* \* \* \*

- 209 *From the Testimony of N. A. Christensen, a Witness Called by the Plaintiffs in said Accounting, Taken at Milwaukee, Wisconsin, June 29, 1916, as follows:*

X Q. 76. How long was Mr. Bottum your attorney?

A. From about the early part of 1895 until some time in the fall of 1913.

X Q. 77. That is, he was your personal attorney during those 18 years, about?

A. Yes.

\* \* \* \* \*

X Q. 114. Are you acquainted with Mr. Denton?

A. Yes.

X Q. 115. He formerly worked for the National Electric Co.?

A. Yes.

X Q. 116. And then for the National Brake & Electric Co., did he not?

A. I don't know. I don't think so.

X Q. 117. When did he go to work for the Allis-Chalmers Co.?

A. About the time, as I recollect it, when the Allis-Chalmers Co. began to manufacture my air brake apparatus under their license with me.

\* \* \* \* \*

210 *From the Testimony of Frank C. White, Taken at Milwaukee, Wis., a Witness Called by the Plaintiffs in said Accounting, as Follows:*

*Testimony Taken June 27, 1917.*

Q. 32. What book entries were they that caused you and defendant's accountants to use different bases of computation of selling prices?

A. There was an account in the books opened as of Feb. 1st, 1911, called the Westinghouse Traction Brake Trading account, following a so-called arrangement made with the Westinghouse Traction Brake Company, the sales as billed were credited to the Westinghouse Traction Brake Company; that is, the air brake sales, and for the six months' period ending July 31st, 1911, the industrial sales. The sales accounted for in the National Brake & Electric Company, the trading account, were stated at the cost plus the added percentage usually of 25%, which amount was charged to the Westinghouse Traction Brake Company trading account. The excess arising, or the difference between the amounts realized from customers and the amounts taken up into the National Brake & Electric Company's statement of profits in their regular profit and loss account, the amount in this account at July 31st, 1916, appearing as a liability, was written off and credited to the National Brake & Electric Co.'s profit and loss account. The total amount so written off at July 31st, 1916 was \$285,977.28. The sales and transactions included in this account applied to non-infringing as well as infringing apparatus, and the \$140,000 previously referred to applies to the infringing apparatus on sales made up to March 21st, 1916.

\* \* \* \* \*

*Testimony Taken July 17, 1917.*

X Q. 228. Well, now as to those orders for compressors, that is 211 they came from sales offices of the Westinghouse Traction Brake Co. trading account, where did those orders come from?

A. I don't know where they came from. I presume they came through the usual channels.

X Q. 229. As a matter of fact, you know, don't you, that 211 they came from sales offices of the Westinghouse Traction Brake Co.?

A. I don't know that as a matter of fact. I presume that at least part of them did, but I don't know.

\* \* \* \* \*

X Q. 251. The inter-company arrangement as to the \$285,000 item, if it had not been written off as of July 31st, 1916, would have stood to the credit of the Westinghouse Traction Brake Co. trading account, wouldn't it?

A. Yes.

X Q. 252. Who had control of that account, if you know?

A. From all the evidence that has been put in I should say that the Traction Brake Co. had.

X Q. 253. That is the Westinghouse Traction Brake Co.?

A. Yes.

\* \* \* \* \*

X Q. 260. Wouldn't you consider that it was a liability because of the fact that it had been written off at the direction of the Westinghouse Traction Brake Co.?

A. That would indicate a liability, yes.

X Q. 261. It would indicate that the Westinghouse Traction Brake Co. had some interest in that \$285,000 item, wouldn't it?

A. Certainly.

X Q. 262. And might even go so far as to indicate that they controlled it?

A. Well, that has been brought out in the evidence, that the Westinghouse Traction Brake Co. controlled the National Brake & Electric Co. These entries were made from the home auditor or some such designation as that, but as for my dealing with them, I wouldn't care what they were called, or how they were shown, or what name they were. It is a matter of getting at the underlying facts. I wouldn't care what the name of the account was.

\* \* \* \* \*

X Q. 287. On air brake apparatus, which, as I understand it, was what was sold to the Westinghouse Traction Brake Co. and appeared in the Westinghouse Traction Brake Co. trading account. Were these salesmen salesmen of the National Brake & Electric Co., or whose salesmen were they?

By Mr. Quarles: It seems to me this is hearsay, if the court please.

By the Master: I don't see how he can know that from the 212 books.

\* \* \* \* \*

X Q. 288. Could you, or have you ascertained from the books information concerning whether or not the sales made of this air brake apparatus were made by salesmen of the National Brake & Electric Co.?

A. I have not verified or traced down the fact as to whether or not orders were sent in by men whose salaries were carried on the books of the National Brake & Electric Co., or the Westinghouse Traction Brake Co., but I don't think there is any question—there is no question in my mind at least, but the orders were handed in by the salesmen of both organizations, but that subsequent to Feb. 1st, 1911, the larger part of the orders were taken by the Traction Brake Co. or allied companies' organizations.

\* \* \* \* \*

X Q. 291. In your examination of the papers and files of the National Brake & Electric Co. did you learn or know that the Westinghouse Traction Co. ordered or instructed the National Brake & Electric Co. to ship apparatus and bill customers at certain prices?

A. In the first place I saw no correspondence indicating that the orders for any of the sales were turned in by the Westinghouse Traction Brake Co. I do recall some sales which were shipped to outside parties, and which were billed directly to some of the Westinghouse companies, in both periods, prior to Feb. 1st and subsequent to Feb. 1st.

X Q. 292. What were these items, if you know?

A. They were compressors and accessories, and very likely repair parts of the same nature; all sales were like that nearly.

X Q. 293. To whom were those goods shipped, if you remember?

A. I don't remember the names. What I intended to convey is that they were shipped to consumers, we will say, railroad companies in the case probably, of air brake equipment; and if there were any industrial sales so handled, to industrial concerns. There are a great many sales organizations and agents of the Westinghouse companies and the orders in some cases apparently came through these agencies or sales organizations.

X Q. 294. That is, the orders came through the sales of  
213   fices or agencies other than the National Brake & Electric Co.?

A. When I am testifying as to who sent in the orders, it is not in my own knowledge; it is assuming on my part from the way accounts were handled, because I don't know where the orders came from, but I can state that there were individual cases where the records showed that shipments were made to parties other than to whom the goods were billed.

\* \* \* \* \*

X Q. 297. Yesterday you referred to sales of air brake apparatus made to the Westinghouse Traction Brake Co., and I believe you thereafter modified it to show that possibly it was the Westinghouse Air Brake Co. Do you know of any such sales charged on the customer's ledger?

A. To whom?

X Q. 298. Charged to the Westinghouse Traction Brake Co.?

A. I know of no such sales.

\* \* \* \* \*

X Q. 299. After the commencement of the arrangement with the Westinghouse Traction Brake Co., after Feb., 1911, and continuing down to March 21, 1916, do you find any expenses for the maintenance of district sales offices on the books of the defendant company?

A. I don't think I can answer that question as stated definitely. Will it suffice if I say that beginning Aug. 1st, 1912, there were no expenses recorded on the books of the National Brake & Electric Co. as district sales office expenses. There were expenses charged up

to I think Oct. 1st, 1912, under expense accounts, under Westinghouse Traction Brake Co. expense accounts.

X Q. 300. Should not that date be Oct. 31, 1911?

A. Yes, you are right.

X Q. 301. Expenses for the maintenance of district sales offices show only for the period from Feb. 1st, 1911, to Oct. 31, 1911?

A. Subsequent to that date there were none recorded. I haven't the exact makeup of those expenses, but if it is necessary to go into that we can.

\* \* \* \* \*

214 *From Master's Opinion Rendered September 19, 1917, Pages 973 C and 973 K, Vol. 3, of said Accounting Record.*

Third. The third motion of defendant is that the damages estimated by plaintiffs' accountants and submitted in plaintiffs' report be disallowed. Counsel for defendant say first, that this is not a case in which an award of damages is proper, and second, that if it were there is no evidence establishing the measure of damages. Upon the first point it is sufficient to say that the evidence in this case clearly shows that the defendant, after terminating the license agreement with plaintiff Christensen immediately commenced the manufacture and sale of infringing compressors, and continued such manufacture and sale for nearly ten years and until the expiration of the patent, notwithstanding a prompt commencement of this action, and notice to it of the plaintiffs' claims. This infringement may fairly be called wanton and deliberate. In the opinion of the Master the plaintiff has suffered very substantial damages, which he is entitled to recover provided the evidence is sufficient to enable the Master properly to establish the measure thereof. An established royalty may be shown as indicative of the value of what was taken by defendant, and therefore as affording a basis for measuring damages, but that is not the only evidence to establish the measure of damages. Where this is impossible it is permissible to show the value by proving what would have been a reasonable royalty considering the nature of the invention, its utility and advantage, and the extent of the use involved.

Hunt v. Cassidy, 64 Fed., 585.

United States Frumentum Co. v. Lauhoff, 216 Fed., 610.

Dowagiac Manufacturing Co. v. Minnesota Plow Co., 205

U. S. 641-648.

It appears from the evidence that Christensen executed a license agreement to the Christensen Engineering Co., dated Sept. 1st, 1897, covering the combined pump and motor and an automatic controller for the same, upon an agreed royalty of 5 per cent. on gross sales of compressors and controllers, and 10 per cent. on gross sales of repair parts. (Pltfs.' Ex. 74.) This license was afterwards amended to include other patents, the royalty remaining the same (Pltfs.' Ex. 83), and was transferred to the National Electric Company, and



the trustee in bankruptcy of the National Electric Co. to one Charles L. Sullivan and by him to the Wisconsin Brake & Electric Company. The Wisconsin Brake & Electric Company conveyed all its rights under said license agreement to Christensen who, on April 18, 1906, executed a new license agreement to the Wisconsin Brake & Electric Company to dispose of all the completed product and to use for such purpose the material in the possession of the licensee on an agreed royalty of 5 per cent. on gross selling price of air brake apparatus, and 10 per cent. on gross selling price of repair parts. (Pliffs.' Ex. 65.) This license agreement was assigned to defendant with the rest of the assets of the Wisconsin Brake & Electric Co., and on June 20th, 1906, was modified by the agreement between Christensen and the defendant whereby defendant was permitted to substitute 100 AB1 bases in place of 100 AA1 bases upon the same royalty as provided in the agreement of April 18, 1906. This agreement also contained the following provision: "It is further expressly understood and agreed that after the expiration and completion of this agreement neither party hereto is estopped from asserting or denying the validity of any of the patents involved." (Pliffs.' Ex. 88.) It will be noted that all of these license agreements contain the agreed royalty of 5 per cent. on gross sales of compressors and 10 per cent. on repair parts. It is true the last two agreements are limited as to the manufacture and sale, but for that reason would seem to be of less value than a general license. It further appears that these agreed royalties were actually paid by the licensees as follows:

By the National Electric Company .....	\$85,912.37
By John I. Beggs, trustee in bankruptcy .....	29,401.20
By the Wisconsin Brake & Electric Co. ....	3,607.48
By the defendant .....	23,800.91
Making a total of .....	\$142,721.96

all between May 16th, 1903, and Dec. 10th, 1906. (Record, pp. 665 to 683.) In addition to the above it appears the defendant paid royalty on the same basis and on motor compressors sold for other than air brake purposes amounting to \$5,826.07. Whether defendant is estopped by its agreements with Christensen from testing the reasonable royalty as contained in its own license agreements, it is certainly strong evidence of the value placed thereon by defendant at that time. It is true that these several license agreements contain other patents than the one in suit, but Christensen has testified that the others were of minor importance and of little or no commercial value. (Record, pages 783-791.) He has also testified that 5 per cent. on gross sales of compressors with accessories, forming complete equipment, and 10 per cent. on repair parts, was a reasonable royalty for the patent in suit. (Record, pages 790-791.) While he is an interested party he has shown abundant qualifications to express an opinion, and upon the present state of the record his testimony stands uncontradicted. The

Master is therefore of the opinion that the evidence on behalf of the plaintiff establishes a reasonable royalty, or "general damages" as it is called in the case of *Fruentum Co. v. Lauhoff*, *supra*, and that he is entitled to recover damages measured by said royalty. Whether such damages will be allowed only to the extent to which they may exceed the aggregate of the profits made by defendant, or whether damages will be allowed on all sales not made at a profit, need not be decided at this time, as plaintiffs' accountants have presented their figures on an alternative basis. Defendant's third motion is therefore denied.

\* \* \* \* \*

Sixth. Defendant's sixth motion is that the Westinghouse Traction Brake trading account be accepted as shown by the books of the defendant and in accordance with the arrangement entered into in February, 1911, between the Westinghouse Traction Brake Co. and the National Brake & Electric Co. and continuing until the end of the infringing period. Upon a careful consideration of the evidence the Master has concluded that the evidence does not support a charge of fraud against the defendant and its officers. The arrangement between the defendant and the Westinghouse Traction Brake Co. on Feb. 9th, 1911, as disclosed in the entry of the minute book of defendant (Record, pages 626-629) appears to have been made for the best interests of the defendant company and resulted in saving the selling expenses as well as \$1000 per month advertising paid by the Westinghouse Traction Brake Co. That this saving was very material the Master does not doubt. That it was as great or greater than the amount credited to the Westinghouse Traction Brake Co. trading account as the difference between the price collected from customers and the agreed price to the

217 Westinghouse Traction Brake Company seems probable upon the figures for selling expenses of the defendant prior to this arrangement. According to figures submitted by defendant in its brief the selling expenses would exceed the amount of the credit by from \$37,160.11 to \$70,333, depending upon whether an average taken of selling expenses on all air brake sales (including accessories) or whether it be taken on infringing apparatus only. If this be so the profits of the defendant company are increased by that amount, and it is to the advantage of the plaintiff. If this is so the plaintiffs are not concerned with the subsequent transfer of the account to defendant's profit and loss account with the consent and approval of the Westinghouse Traction Brake Company. The sixth motion of defendant is therefore granted.

218 The following exhibits offered by the plaintiff in said accounting:

#### EXHIBIT 65.

Agreement made and entered into this 18th day of April, 1906, by and between Niels A. Christensen, party of the first part, and the Wisconsin Brake & Electric Company, party of the second part.

Whereas, the parties hereto propose to enter into a certain contract of even date herewith, by which the party of the first part assigns certain claims, demands and causes of action to the party of the second part for the consideration of the sum of twenty-six thousand dollars (\$26,000), and the party of the second part proposes to assign, transfer and set over to the party of the first part certain licenses, agreements and other rights and interest in patents, as evidenced by a certain contract of even date herewith; And

Whereas, it is a part of the agreement between the said parties, as hereinafter more specifically set forth;

Now therefore, the party of the first part, for one dollar and other valuable considerations to him in hand paid, the receipt whereof is hereby acknowledged, does hereby consent and authorize the party of the second part, or its assigns, to dispose of the completed product and to use for such completion the material in process of manufacture and already manufactured, now in the possession of the party of the second part, which are covered by the licenses this day assigned by the party of the second part to the party of the first part, or any of them, until the same are sold, provided, however, that the party of the second part pays to the party of the first part royalties at the rate of five (5) per cent. of the gross selling price of air brake apparatus, and ten (10) per cent. on repair parts for patented articles, being the same basis as heretofore used by the National Electric Company and its Trustee. The party of the second part agrees to pay said royalties monthly as heretofore done by the National Electric Company and its Trustee.

It is further expressly understood and agreed that after the expiration and completion of this agreement neither party hereto is estopped from asserting or denying the validity of any of the patents involved.

In witness whereof the parties hereto have caused these presents to be executed the day and year first above written.

NIELS A. CHRISTENSEN. [SEAL.]

WISCONSIN BRAKE & ELECTRIC COMPANY,

By WALTER D. HICKMAN,

*President.*

Attest:

JOHN A. McCORMICK,

*Secretary.*

EXHIBIT 88.

Agreement Made and Entered into This 20th day of June, 1906, by and between Niels A. Christensen, Party of the First Part, and the National Brake & Electric Company, Party of the Second Part.

Whereas, the party of the first part and the Wisconsin Brake & Electric Company entered into an agreement dated April 18th, 1906; And,

Whereas, all the rights of the Wisconsin Brake & Electric Company in, to and under said agreement have been acquired by the National Brake & Electric Company; And,

Whereas, the party of the second part has an order for one hundred (100) AB1 compressors and has on hand only material for making AA1 compressors and desires to substitute one hundred (100) AB1 pumps to fill said order; And,

Whereas, the parties hereto have agreed to modify said agreement of April 18th, 1906, to accomplish that end, as hereinafter more specifically set forth.

Now therefore, the parties hereto, in consideration of one dollar and other valuable considerations, each to the other paid, receipt whereof is hereby acknowledged, do hereby agree as follows:

1. That the said agreement dated April 18th, 1906, be, and the same is hereby modified, and the party of the second part is hereby authorized to manufacture complete, and sell one hundred (100) AB1 bases, provided said party of the second part destroys one hundred (100) AA1 bases, so as not to increase the amount of complete product authorized by said agreement of April 18th, 1906.

2. It is expressly understood and agreed that the party of the second part shall pay to the party of the first part royalties on the one hundred (100) compressors herein provided for at the rate provided for in said agreement of April 18th, 1906.

3. It is further expressly understood and agreed that after the expiration and completion of this agreement neither  
220 party hereto is estopped from asserting or denying the validity of any of the patents involved.

In witness whereof the party of the first part has hereunto set his hand and seal and the party of the second part has caused these presents to be executed by its duly authorized officers and its corporate seal to be hereto affixed the day and year first above written.

NIELS A. CHRISTENSEN,

By E. H. BOTTUM, *His Attorney*,

NATIONAL BRAKE AND ELECTRIC CO.,

By R. P. TELL,

*Vice President*,

#### EXHIBIT 86.

Whereas the undersigned is the owner of all the licenses, rights and interests in United States Letters Patent and foreign patents mentioned in the agreements hereinafter named and referred to, by purchase at a trustee's sale in the bankruptcy proceedings in relation to the bankruptcy of the National Electric Company, a Wisconsin corporation, pending in the Eastern District of Wisconsin, namely:

A contract dated June 12th, 1895, between N. A. Christensen and S. W. Watkins.

A contract between Niels A. Christensen and Samuel W. Watkins dated October 10th 1895.

A contract between Niels A. Christensen and the Christensen Engineering Company dated the first day of September, 1897, and supplemental agreement attached thereto, between the same parties dated the 13th day of September, 1899.

An agreement between Niels A. Christensen and the Christensen Engineering Company, ratified by S. W. Watkins and dated the 13th day of September, A. D. 1899.

An agreement between Niels A. Christensen and the Christensen Engineering Company dated the 13th day of September, 1899, signed by N. A. Christensen solely.

An agreement between Niels A. Christensen and the Christensen Engineering Company dated the 30th day of April, 1903.

An agreement between Niels A. Christensen and the Christensen Engineering Company relating to English Patents, dated the 30th day of April, 1903.

An agreement between Niels A. Christensen and the Christensen Engineering Company relating to French Letters  
221 Patent, dated the 6th day of August, 1903, signed by said Christensen and the National Electric Company.

An agreement between Niels A. Christensen and the Christensen Engineering Company relating to German Patents, dated the 6th day of August, 1903, and signed by said Christensen and the National Electric Company.

An agreement between Niels A. Christensen and the Christensen Engineering Company dated the 6th day of August, 1903, and executed by said Christensen and the National Electric Company, relating to Italian Patents.

An agreement between Niels A. Christensen and the Christensen Engineering Company dated the 6th day of August, 1903, and signed by said Christensen and the National Electric Company, relating to Austrian Patents.

And whereas all of said licenses and patents and interests were originally held by the Christensen Engineering Company and passed by transfer duly made, to the National Electric Company and whereas said National Electric Company was duly adjudicated bankrupt in the Eastern District of Wisconsin and the rights and interests in all of their property and assets passed to John I. Beggs, a Trustee in said bankruptcy, and whereas at a sale hereinbefore referred to all of such rights, interests, patents and licenses passed to and have been transferred to the undersigned.

Now therefore the undersigned, in consideration of one Dollar and other good and valuable considerations, doth hereby assign, transfer and set over the said licenses, agreements and all rights of interest in patents, etc., thereunder and thereby conferred or granted to Niels A. Christensen of the City of Milwaukee, to have and to hold our entire right, title and interest therein and thereunder, absolutely and forever.

And the undersigned further agree that in case it shall be necessary to execute further and other assignments or transfers to carry

out the intent and purpose of this instrument which is hereby declared to vest in and transfer to Niels A. Christensen any and all inventions, licenses, patents, interests in patents and agreements for the manufacture and sale of any and all devices and articles patented to him, then they will execute such further reasonable and useful instruments as they may be advised by competent counsel as sufficient for that purpose.

222      Witness the due execution of this agreement and transfer this 18th day of April, A. D. 1906.

WISCONSIN BRAKE & ELECTRIC  
COMPANY,

By WALTER D. HICKMAN,  
*President.*

Countersigned by JOHN A. McCORMICK,  
[CORPORATE SEAL.]      *Secretary.*

#### EXHIBIT 74.

This agreement, made this first day of September, 1897, by and between Niels A. Christensen, of the city and county of Milwaukee and State of Wisconsin, party of the first part, and the Christensen Engineering Company, a corporation doing business under the laws of the State of Wisconsin, party of the second part.

#### Witnesseth:—

Whereas, the party of the first part has invented a certain combined pump and motor, for which U. S. Patent Application, Serial No. 617,464, was filed December 28, 1896, and also an automatic controller for same.

And whereas, the party of the second part desires to secure the exclusive right to manufacture and sell said combined pump and motor and controller for all purposes for which it may be suited, including any and all improvements relating thereto which the party of the first part has made or acquired, or may hereafter make or acquire, within and throughout the United States and territories thereof.

Now, therefore, the parties hereto have agreed as follows:

First. The party of the first part in consideration of the covenants and agreements hereinafter contained on the part of the party of the second part, hereby grants unto the party of the second part and their assigns, the exclusive right to make, use and sell, within and throughout the United States and territories thereof, the said combined pump and motor and controller and improvements relating thereto which have been made or acquired by said party of the first part, to the full end of the term for which Letters Patent may be obtained therefor, unless this license shall be sooner terminated, as hereinafter provided.

Second. In consideration of the foregoing license and of the covenants and agreements hereinafter contained on the part of the party of the first part, the party of the second part hereby agrees to manufacture or cause to be manufactured, in first class manner, of good and proper materials, a sufficient number of combined pumps and motors and controllers to supply the demand therefor, with reasonable promptness, and to solicit, receive and fill all orders which may be secured therefor from responsible parties, to advertise and push the sale of said combined pumps and motors and controllers in an energetic and businesslike manner, and said party of the second part further covenants and agrees to pay the party of the first part, as a license fee or royalty, 5% on the gross sale of all combined pumps and motors and controllers, it being understood that where said combined pumps and motors and controllers are sold in connection with air brake apparatus, this said royalty of 5% shall be computed upon the total sum received for all air brake apparatus so sold and upon the gross sales for repairs for said combined pumps and motors, controllers and air brake apparatus, the party of the second part agrees to pay the party of the first part a royalty of 10%; payment of said license fees or royalties shall be made by the party of the second part to the party of the first part, his heirs, administrators or assigns, on demand therefor, after the fifteenth day of each month, during the term of this license, on all sales made and consummated during the month next preceeding.

Third. The party of the second part further covenants and agrees to keep full and accurate books of account, showing all manufactures and sales of combined pumps and motors and controllers, repairs and other devices made by or for him under this license, the names and residences of the parties to whom the same are sold, the number and proper designation of the devices and the prices for which they are sold, which books of account shall be open at all reasonable times to the inspection of the party of the first part, or of his duly authorized agent or attorney.

Fourth. The party of the first part hereby covenants and agrees to defend any and all suits which may be brought on the ground of the alleged infringement of the rights of others by the manufacture and under and in accordance with this license of the aforesaid improvements; and to take all necessary and proper measures to prevent the manufacture, sale and use by unauthorized persons of any devices which may be infringements of any Letters Patent obtained by the party of the first part by grant, purchase, or otherwise, for any of the aforesaid improvements embraced in this license, all necessary costs and expenses of bringing or defending suits to protect and preserve the rights and privileges secured by said Letters patent and granted by this license to be borne equally by the parties hereto.

Fifth. In case of any one or more of the said Letters Patent or part thereof are declared invalid in any suit or litigation, this license agreement shall remain in full force and effect in all particulars herein named, unless the number and character of the Patents so



declared should be such as to practically remove all protection under said Patents.

Sixth. The party of the second part further covenants and agrees that unless they shall pay to the party of the first part, for each year after date hereof, royalties to the amount of twenty-five hundred dollars, as hereinbefore provided, the party of the first part may, at his option, terminate this license by giving the party of the second part sixty days' notice in writing of his election so to do, provided, however, and it is mutually understood and agreed between the parties hereto that such termination of this license shall not release the party of the second part from the payment of any royalties which may be due the party of the first part when said notice is given, and that the party of the second part shall have the right, after receiving said notice, to complete any unfinished stock and to dispose of same together with any completed stock he may have on hand at the time such notice may be given, on the terms and conditions herein provided.

In witness whereof, both parties have hereunto set their hands and seals the day and year first above mentioned.

(Signed)  
[CORP. SEAL.]

NIELS ANTON CHRISTENSEN,  
CHRISTENSEN ENGINEERING  
COMPANY.

Per S. W. WATKINS,  
*Pres't.*

Witness.

HATTIE HIRSH,  
*As to Both.*

### EXHIBIT 83.

The inventions and improvements covered by Letters Patent of the United States No. 621,324, dated March 21, 1899, and No. 627,252, dated June 20, 1899, and by application for Letters Patent of the United States Serial No. 686,266, filed July 18th, 1899, and Serial No. 720,139, filed June 12, 1899, and Serial No. 729,283, filed September 2, 1899, are hereby declared to be included in the foregoing agreement upon the terms and conditions therein specified, as fully and completely as if they had been expressly specified in said agreement.

And it is hereby declared that any and all devices, inventions and improvements which have been or may be made or acquired by the party within named Nels A. Christensen, and which may be used in connection with the inventions and improvements specified in the foregoing agreement for the equipment of electric cars with air brakes are also included in said agreement and may be made, used and sold by the licensee therein named, its successors or assigns, upon the terms and conditions therein specified, for the purpose above mentioned, to-wit: the equipment of electric cars with air brakes but for no other purpose or purposes; it being understood and agreed however, that Letters Patent of the United States No. 58

846, dated April 20, 1897, for Valve for Air-Brake, also the Engineer's Valve for which application for Letters Patent of the United States, Serial No. 673,753, filed March 14, 1898, is pending and inventions or improvements relating exclusively to automatic air-brake equipments, are not included in this declaration or in the foregoing agreement.

In witness whereof, the parties to the foregoing agreement have duly executed the above declaration this 13th day of September, A. D. 1899.

In presence of:

(Signed) N. A. CHRISTENSEN. [SEAL.]

CHRISTENSEN ENGINEERING COMPANY,

(Signed) S. W. WATKINS,  
President.

The plaintiffs, by their attorneys, Lines, Spooner and Quarles, object to the consideration by the court herein on defendant's motion to dismiss of any testimony other than the testimony taken in the above entitled action as not within the terms of the motion.

227 In the United States Circuit Court of Appeals for the Third Circuit, March Term, 1917.

No. 2248.

WESTINGHOUSE TRACTION BRAKE COMPANY, Petitioner,

vs.

Honorable CHARLES P. ORR, NIELS A. CHRISTENSEN, ALLIS-CHALMERS MANUFACTURING COMPANY, Respondents.

*Petition of the Westinghouse Traction Brake Company for Writ of Mandamus or Writ of Certiorari from the United States Circuit Court of Appeals for the Third Circuit to the United States District Court for the Western District of Pennsylvania.\**

To the Honorable the Judges of the Circuit Court of Appeals for the Third Circuit:

Your petitioner, Westinghouse Traction Brake Company, respectfully represents, as follows:

Your petitioner was sued in equity in the United States District Court for the Western District of Pennsylvania by the said Niels A. Christensen and Allis-Chalmers Manufacturing Company, at No. 80, May Term, 1916, for an alleged infringement of certain patents, among which were two original patents granted to the said Christensen, to wit, No. 621,324, dated March 21, 1899, and No. 635,280, dated October 17, 1899, for the same invention, hereinafter referred to as the first and second patents; that your petitioner filed an answer to said suit and evidence was taken on both sides by deposition

and the case was twice set for hearing, when, on motion of the plaintiffs, the court entered a decree dismissing the bill without prejudice; that thereupon your petitioner filed a petition in this Court for a writ of certiorari upon the ground that as to the said two pa-

228 ents the bill and answer made a complete record as to certain issues, including the question of validity of the second patent as to which your petitioner was entitled to a hearing and determination, and that the District Court erred in dismissing the bill as to said patents "without prejudice"; that said petition for certiorari was entertained, and the question heard on its merits by this Court on June 15, 1917; that on July 3, 1917, this Court filed an opinion and entered an order reversing the decree of the District Court dismissing the bill as to the said two patents without prejudice, holding the second patent void and reinstating the bill for further proceedings in conformity with the opinion, all of which proceedings are shown in the record of the said petition at No. 2248 March Term, 1917, of this Court, to which your petitioner begs leave to refer in connection with the present petition.

That on August 3, 1917, this Court issued its mandate to the District Court for further proceedings in conformity with the opinion, which found the said second patent invalid and gave directions as to the defenses that might be urged by your petitioner, and questions which might be passed upon in the trial of the case by the District Court on the first patent; that thereupon the case was, in conformity with the mandate, put on the regular trial calendar, which was called on September 3, 1917, when, on motion of your petitioner, notice of which was duly served on plaintiff's counsel, it was fixed for trial on October 1, 1917; that on October 1, 1917, the case came on for trial, and your petitioner was present in court with his counsel, witnesses, and a large number of machines and exhibits which had been offered in evidence in connection with depositions that had been taken de bene for use at the trial, but the plaintiffs did not appear either in person or by counsel; that thereupon the court sent for plaintiffs' local counsel and, after questioning the sufficiency of the notice of trial to plaintiffs, entered an order dismissing the bill of complaint as to the first patent for want of prosecution, with leave to the plaintiffs at any time during the pending (May) term to ask for a setting aside of the order for proper cause shown, to which order counsel for plaintiffs noted an exception; that at the same time the court signed and entered a formal decree in accordance with the mandate of this Court, dismissing the bill as to the second patent as invalid, having been issued without warrant of law; that plaintiffs made no motion for leave to set aside the said order during the said (May) term, or to ask for a trial during that period, although several of defendant's large machine exhibits were permitted by the court to remain set up in the courtroom.

229 during this period under the supposition that the plaintiffs would come forward and ask for leave to go on with the trial.

\*Where italics are used in quotations, the emphasis is ours unless otherwise noted.

that the period of grace having expired with the expiration of the May Term, your petitioner, upon notice to plaintiffs, made timely motion for the entry of a final decree disposing of all issues in the case, which motion was argued before his Honor, Judge Orr, on January 3, 1918, and was granted and the said final decree was entered by Judge Orr on January 7, 1918, the same being in the following terms:

"This cause having come on to be heard, upon consideration thereof, it was ordered, adjudged and decreed, as follows, viz.:

"That as to Patents Nos. 680,842, 753,954 and 914,699, the bill is dismissed without prejudice to the rights of plaintiffs or either of them; provided, however, that all depositions heretofore taken herein may be used in any pending or subsequent litigation between plaintiffs and defendant, or their privies;

"That as to Patents Nos. 621,324 and 635,280, the bill of complaint is dismissed on the merits;

"And that defendant do recover its costs to be taxed under the direction of the clerk, and have judgment and execution therefor against the plaintiffs.

"Pittsburgh, January 7th, 1918."

That in the argument on January 3rd, before Judge Orr, the following questions were discussed between the Court and counsel, viz.:

(1) Whether the motion for the final decree should have been made in the May Term; to which petitioner's counsel replied that it could not be made at the May Term, because the order of October 1, 1917, did not become absolute until the expiration of said term, and defendant obviously could not make said motion until the November Term.

(2) Whether your petitioner could make a motion for final decree in view of the statement on the record that the order for dismissal for lack of prosecution had been made on motion of petitioner's counsel, but the reply was made to this that the petitioner could at any time during the following term move for an amendment of the decree, and was entitled to ask for a decree in conformity with the mandate and in form such as would finally dispose of all questions arising in the suit.

(3) Whether your petitioner was entitled to a decree in  
230 its favor which ordered the dismissal of the bill on the merits, and as to this it was contended that anything short of this would be equivalent to a dismissal of the bill "without prejudice" and leave the plaintiffs free to relitigate the questions in another or subsequent suit, and consequently leave the case in the same condition as under the original decree of dismissal without prejudice, which decree was reversed by this court, and that the form of the decree was practically the same as that approved by the Supreme Court in *Lyon v. Perin Mfg. Co.*, 125 U. S. 698, to which the attention of the Court was specifically called, and was warranted

by the decision of the Court of Appeals of the First Circuit in *American Bell Telephone Co. v. Western Union Tel. Co.*, 89 F. 666, and other cases cited by counsel.

That at said hearing plaintiffs were represented by Mr. Hear of Reed, Smith, Shaw & Beal, local attorneys for plaintiffs, who filed with the court a letter from William M. Rummler, of Chicago, plaintiffs' principal counsel, reciting points which he requested the court to bring to the attention of the Court in opposition to the motion.

That his Honor, Judge Orr, having heard and determined the question of defendant's right to the entry of a final decree of the form shown in the decree of January 7, 1917, accordingly entered the same and thus disposed of the controversy in accordance with the spirit and intent, as your petitioner understands it, of the mandate of this Court, which reinstated the bill as to said two patents and directed further proceedings in conformity with this Court's opinion, which necessarily contemplated a trial, or in the absence thereof, a decree which should terminate the litigation.

That on January 10, 1918, plaintiffs made a motion to vacate the said decree of January 7, 1918, which motion was argued pro and con by counsel for the respective parties on January 24, 1918, and was allowed by Judge Orr in an opinion filed on February 1, 1918, a copy of which appears in the transcript of record in support of this petition at page 256, and in accordance with which, on motion by the plaintiffs, Judge Orr, March 11, 1918, entered a decree which appears in the transcript of record at page 261, and which was in the following words:

"The petition of plaintiffs to vacate the decree in form entered January 7, 1918, having come on to be heard and having been argued by counsel, and the Court being fully advised in the premises, it is

231 "Ordered, adjudged and decreed that said decree in form entered on January 7, 1918, be and the same hereby is vacated, set aside, and held for naught.

"It is further Ordered, Adjudged and Decreed that as to patent Number 621,324 to Niels A. Christensen dated March 21, 1899, the bill of complaint stands dismissed for want of prosecution, with costs to defendant to be taxed under the direction of the clerk, and defendant to have execution therefor against the plaintiffs.

"Pittsburgh, March 11, 1918."

In the opinion vacating the decree of January 7th, Judge Orr gives the reason for his action as follows (Record, p. 258):

"The real reason for setting aside the decree or order of January 7, 1918, is because it is contrary to the fact in stating that the bill as to patent No. 621,324 was dismissed upon the merits."

What Judge Orr means by this appears in the preceding paragraph of the opinion (Record, p. 259), as follows:

"That decree [of January 7th] is not in conformity with the fact, inasmuch as it states as to patents Nos. 621,324 and 635,280 the bill of complaint is dismissed *on the merits*."

Of course, Judge Orr did not mean to say that the bill was not dismissed on the merits as to the second patent, because obviously that was the fact, since this Court had found that that patent was invalid because issued without warrant of law, and on October 1, 1917, Judge Orr had entered a separate decree "in accordance with the mandate of the Court of Appeals" to that effect (Record, p. 127).

Following the sentence quoted above, Judge Orr says (Record, p. 258):

"The merits of the controversy were not considered by the Court. By the use of the expression 'merits of the controversy' is not meant the relative rights—moral, ethical or pecuniary—between the parties but merely the 'subject matter of the litigation.' The subject matter of the litigation as a matter of fact was not considered by the Court at the time such decree was entered, and in that respect the decree was contrary to the fact."

232 This fact is wholly immaterial, and affords no legal reason for setting aside the decree of January 7th and destroying defendant's right to have an end of the litigation. The expression "on the merits," like "by confession" in a decree against a defendant for failure to answer a bill of complaint, may be said to be a legal fiction. It is not an absolute expression or necessarily a statement of fact, but of definition—it defines the scope or character of the decree. The decree may in fact have resulted from a trial on the merits, or it may not; but, in the latter case, it would result from the fact that a point or condition of the litigation had been reached which entitled a party to a decree of that scope. Thus failure of a defendant to answer entitles a plaintiff to a decree on the merits. So, also, we contend, under the present equity rules, the default of a plaintiff at the trial entitles a defendant to a dismissal on the merits as shown by the pleadings.

Bigelow on Estoppel (p. 73) says "that judgment by default, like judgment on contest, is conclusive of what it actually professes to decide as determined from the pleading."

Examples of decrees on the merits by confession for failure to file an answer are found in

Thomson v. Wooster, 114 U. S., 111,

Pendleton v. Evans, E. Dist. Pa., 19 Fed. Cases 141, and of the decrees on the merits by default of plaintiff are found in

Lyon v. Perin Mfg. Co., 125 U. S., 698.

Am. Bell Tel. Co. v. W. U. Tel. Co., 89 F. 666 (C. C. A., 1st).

So, in the present case, the expression merely indicates that a trial on the merits is no longer open to the plaintiffs, and not that the merits were actually tried.

In explanation of his action in entering the decree of January 7th, Judge Orr says (Record, p. 258):

"What operated upon the mind of the Judge who entered the decree of the Court was the insistence by defendant's counsel in the language quoted: 'That the plaintiff should not be allowed to obtain by indirection that which he was not permitted to obtain by direction.' In explanation of that, it was urged that because of the reversal by the Court of Appeals of the decree dismissing the bill at plaintiff's own instance, that therefore, the plaintiffs, by staying away from the trial, ought not to be able to effect a dismissal of their bill for want of prosecution."

233 If for the words "for want of prosecution" the words "which would leave them free to prosecute their action elsewhere" were substituted, the above statement would correctly represent the position taken by petitioner's counsel.

Petitioner further shows that after the close of the May Term and the expiration of the conditional period of the order of October 1, 1917, petitioner made a motion to dismiss the suit in Chicago brought after the present suit by plaintiffs against your petitioner for the same subject-matter, the bills of complaint being identical (Record, p. 240), and plaintiffs in opposing the motion took the ground that as to the first patent petitioner had no decree of dismissal on the merits, but only as to the Pittsburgh suit, that the order of October 1, 1917, put plaintiffs back into the same position as they were upon the former decree of "dismissal without prejudice," dated February 24, 1917 (Record, p. 102), which was reversed by this Court (Record, p. 123) and that they were entitled to continue the litigation. Thereupon, Judge Kohlsaat withheld his decision on the motion to dismiss until petitioner should have an opportunity to move for a final decree on the merits in the Pittsburgh case. The motion was made promptly, and resulted in the decree of January 7, 1918, and upon the argument of the motion the above facts were stated to Judge Orr. In Mr. Rummel's letter filed at the hearing by Mr. Heard, representing plaintiffs' local solicitors, Mr. Rummel reiterated the opinion that plaintiffs, by lack of prosecution of the Pittsburgh suit, were restored to the position they occupied under the former decree of dismissal without prejudice. He said:

"Even if said Patent No. 635,280 be regarded as not the correct evidence of such contract, as was found by your Court of Appeals, we do not see how this would have prevented the District Court from dismissing *without prejudice* as to Patena No. 621,324, so that the entire bill would have stood dismissed without prejudice *with exactly the same effect* as it was dismissed by Judge Orr on February 24th, 1917."

When the motion to vacate the decree of January 7th was made Judge Kohlsaat, at the request of plaintiffs' counsel, withheld the order of dismissal of the Chicago suit, which he stated he would grant in view of the decree of January 7th, to await the result of the motion to vacate the latter, and when Judge Orr granted the motion to vacate, defendant withdrew the motion to dismiss the Chicago suit pending the result of this petition.



Your petitioner therefore submits that its lawful rights are seriously prejudiced by the vacation of the decree of January 7, 1918, and the entry of the decree of March 11, 1918, and that such vacation of the decree was contrary to the spirit and intent of the mandate of this Court reversing the decree of dismissal "without prejudice" entered by the District Court on February 24, 1917.

Your petitioner therefore prays that a writ of mandamus issue out of this court, addressed to the Honorable Charles P. Orr, Judge of the District Court aforesaid, directing him to reinstate the decree of January 7, 1918, or that a writ of certiorari issue to the District Court aforesaid, requiring it to certify and send to this Court a full and complete transcript of the record, in order that this Court may fully review the matter set up in this petition, to-wit, the setting aside of the decree of January 7, 1918, and that your petitioner may have such other and further relief in the premises as to this Court may seem appropriate.

JAMES K. BAKEWELL,  
PAUL SYNNESTVEDT,  
THOMAS B. KERR,  
*Counsel for Petitioner.*

35 In the District Court of the United States for the Western  
District of Pennsylvania, May Term, 1916.

In Equity. No. 80.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS MANUFACTURING  
COMPANY,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY.

*Affidavit of James K. Bakewell.*

(Dated January 19, 1918.)

COUNTY OF ALLEGHENY,

*State of Pennsylvania, ss:*

Before me, the undersigned authority, personally appeared James K. Bakewell, who being duly sworn, deposes and says:

I am an attorney at law and solicitor for the defendant in the above-entitled suit, having my office in the Oliver Building in the City of Pittsburgh in said county and State: On Saturday, November 9, 1917, a few moments before noon, I made application to the clerk of the District Court in the above-entitled suit, for a certificate that plaintiff had made no motion during the May Term to vacate the order of Court of October 1, 1917, dismissing the bill for want of prosecution; that the clerk refused to give me such a certificate on the ground that the May Term did not close until 12 o'clock Sunday night, November 11, 1917, when the November Term began;

that on November 12, 1917, the first day of November Term, I applied for and obtained from the clerk the desired certificate, of which the annexed is a copy.

JAMES K. BAKEWELL

Signed and sworn to this 29th day of January, A. D. 1918.

SUE B. FRITZ,

[SEAL.]

*Notary Public.*

My commission expires February 21, 1919.

*Certificate.*

I, J. Wood Clark, Clerk of the United States District Court for the Western District of Pennsylvania, do hereby certify that an order was entered October 1, 1917, dismissing the above-entitled case for want of prosecution, and that no motions to vacate said order or any other papers have been filed since that date and that the term at which said order was entered has expired.

Dated November 12, 1917.

J. WOOD CLARK,

*Clerk U. S. District Court, Western*

[SEAL.]

*District of Pennsylvania.*

Certified from the record, this twenty-fifth day of February, A. D. 1918.

J. WOOD CLARK,

[SEAL.]

*Clerk.*

(Received and filed, February 5, 1918, U. S. D. C., W. D. Pa.)

In the District Court of the United States for the Western District of Pennsylvania, May Term, 1916.

In Equity. No. 80.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS MANUFACTURING COMPANY

v.

WESTINGHOUSE TRACTION BRAKE COMPANY.

*Notes of Hearing, October 1, 1917.*

And now Monday, October 1, 1917, this case came on for hearing before Honorable Charles P. Orr, Judge.

Appearances, John G. Frazer, Esq., representing Messrs. Re Smith, Shaw & Beal, appeared as local counsel on behalf of the plaintiff, Messrs. Rummeler & Rummeler, of Chicago, plaintiff's principal counsel, not appearing.

Messrs. J. K. Bakewell (of Pittsburgh), Thomas B. Kerr and E.

ward A. Wright (of New York) and Paul Synnestvedt (of Philadelphia) appeared for defense.

Mr. Frazer did not appear until sent for, and then stated that he has been out of the city for some time, and was not aware, until notified by the Court this morning to appear, that this case had been set for trial.

Counsel for defense moved the Court for a dismissal of the bill in so far as it relates to Patent No. 635,280, as invalid, the same having been issued without authority of law, in accordance with the mandate of the Court of Appeals.

Whereupon the Court directed and found that Patent No. 635,280, to Niels A. Christensen, dated October 17, 1899, was issued without warrant of law, and that the bill should be dismissed with respect to that patent, with costs charged to the plaintiffs; the Court of Appeals having found that, in its opinion, and by its mandate having sent the case back for further proceedings, in accordance with that opinion and mandate, this Court now enters a decree adjudging said Patent No. 635,280 as being invalid.

Mr. Bakewell, of counsel for defense, stated to the Court that he had by letter notified the principal counsel for plaintiff, Messrs. Rummeler & Rummeler, that application would be made to the Court on September 3, 1917, for the fixing of the date of final hearing in this case; at which time this date, October 1, 1917, was set by the Court.

Whereupon counsel for defense moved that this bill be dismissed at the costs of the plaintiffs, for want of prosecution.

The Court thereupon made the following ruling:

"With respect to Patent No. 621,324, the defendant appearing, by its counsel, and the plaintiffs not appearing by counsel representing them, except by local counsel required under the rules to be associated with foreign counsel, and motion having been made by the defendant that the bill be dismissed for want of prosecution, that motion must be sustained; but it not appearing that the principal counsel for the plaintiff have had actual notice of the time fixed for the final hearing in this case, and it being questionable whether or not local counsel had actual notice thereof, this Court, over objections by Mr. Frazer, who has been the local associate of the plaintiff's principal counsel, does now dismiss this bill, for want of prosecution, with leave to the plaintiff at any time during the pending term to ask for a setting-aside of this decree for proper cause shown."

To which order counsel for plaintiff, through Mr. Frazer, excepts, and the exception is noted.

A similar motion and order and decree was made as to case at No. 91, November Term, 1916, In Equity, being a case between the same parties, represented by the same counsel.

Certified from the record, this twenty-fifth day of February, A. D. 1918.

J. WOOD CLARK,  
*Clerk.*

[SEAL.]

(Received and filed October 1, 1917, U. S. D. C., W. D. Pa.)

238 In the District Court of the United States for the Western  
District of Pennsylvania, May Term, 1916.

**In Equity. No. 80.**

**NIELS A. CHRISTENSEN and ALLIS-CHALMERS MANUFACTURING  
COMPANY, Plaintiffs,**

**v.**

**WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.**

*Notice of Motion.*

William R. Rummler, Esq., Counsel for Plaintiff, Chicago, Ill.:

Please take notice that on January 3, 1918, at 10 a. m., or as soon thereafter as counsel can be heard, I shall move the Court to enter the decree hereto appended, finally disposing of all the issues in this cause,

**THOMAS B. KERR,**  
*Counsel for Defendant.*

Chicago, Ill., December 31, 1917: Received copy of above notice and decree.

**WM. R. RUMMLER,**  
*Counsel for Plaintiff.*

*Final Decree.*

This cause having come on to be heard, upon consideration thereof it was Ordered, Adjudged and Decreed, as follows, viz.:

That as to Patents Nos. 680,842, 753,954 and 914,699, the bill be dismissed without prejudice to the rights of plaintiffs or either of them; provided, however, that all depositions heretofore taken hereon may be used in any pending or subsequent litigation between plaintiffs and defendant, or their privies;

That as to Patents Nos. 621,324 and 635,280, the bill of complaint is dismissed on the merits;

And that defendant do recover its costs to be taxed under the direction of the clerk and have judgment and execution therefor against the plaintiffs.

Pittsburgh, January 7, 1918.

PER CURIAM.

Certified from the record, this twenty-fifth day of February, A. D. 1918.

[SEAL.]

**J. WOOD CLARK,**  
*Clerk.*

Filed January 7, 1918.

(Received and filed January 7, 1918, U. S. D. C., W. D. Pa.)

In the District Court of the United States for the Northern District of Illinois, Eastern Division.

In Equity. No. 621.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS MANUFACTURING COMPANY, Plaintiffs,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Certified Copy of Defendant's Motion in Illinois Case in Support of Plaintiff's Petition to Vacate Decree of January 7, 1918, or Grant Rehearing Thereof.*

Notice.

William R. Rummler, Esq., Solicitor for Plaintiffs, Tribune Building, Chicago, Ill.

Sir:

Please take notice on Friday, December 7, 1917, at the meeting of the court, or as soon thereafter as counsel can be heard, we will move to dismiss the bill of complaint as to Patents Nos. 621,324 and 635,280 for the reasons set forth in the motion to that effect, a copy of which, together with the copy of the documents set forth therein and accompanying the same, we hand you herewith.

BROWN, HANSON & BOETTCHER,  
*Solicitors for Defendant.*

Chicago, Illinois, December 1, 1917.

Service of a copy of the above notice, and of the motion and accompanying documents is hereby admitted.

WM. R. RUMMLER,  
*Solicitor for Plaintiffs.*

*Motion of Defendant to Dismiss the Bill as to Patents Nos. 621,324 and 635,280.*

The defendant, by its counsel, Brown, Hanson & Boettcher, hereby moves the Court to dismiss the bill of complaint as to Patents Nos. 621,324 and 635,280, by reason of the following facts:

On March 11, 1916, the plaintiffs filed a bill of complaint in the United States District Court for the Western District of Pennsylvania, at Pittsburgh, Pennsylvania, No. 80, May Term, 1916, against this defendant for the infringement of Letters Patent Nos. 621,324, 635,280 and 680,842, here in suit, said bill being identical in form with

the bill of complaint which was filed in this suit on March 14, 1916.

On April 17, 1916, defendant filed its answer in the Pittsburgh suit; on May 25, 1916, the Pittsburgh bill was amended by adding two other patents of which infringement was charged, and on June 1, 1916, the defendant filed an answer to the amended bill.

Both parties took depositions *de bene esse*, and the case was set down for trial on January 22, 1917, but on January 20, 1917, the trial was postponed upon application of plaintiffs to February 13, 1917. On February 13, 1917, plaintiffs filed a motion to dismiss the bill and defendant filed an answer to said motion and also a motion for judgment on the record on Patents Nos. 621,324 and 635,280. The various motions were duly argued before Judge Orr of said court, and on February 21, 1917, Judge Orr filed an opinion granting plaintiffs' motion to dismiss, and an order to that effect was entered on February 24, 1917. On March 1, 1917, defendant filed a petition for

rehearing, which was not allowed by the Court.

241 On April 23, 1917, defendant filed a petition in the United

States Circuit Court of Appeals for the Third Circuit for a writ of certiorari or a writ of mandamus, addressed to the said District Court, requiring it to certify the record to said Court of Appeals for review, or to proceed to the trial and determination of the merits of the matters raised under the facts set up in the bill and admitted in the answer, with respect to Patents Nos. 621,324 and 635,280. The petition came on for hearing on June 15, 1917, and the matter was argued on its merits, and on July 3, 1917, the Court of Appeals filed an opinion sustaining the petition and holding that Patent No. 635,280 had been issued contrary to law and was void, and on August 3rd issued its mandate to the District Court, reversing its decree of dismissal so far as Patents Nos. 621,324 and 635,280 were concerned and directing further proceedings in accordance with the opinion.

The case went back to the District Court, and was placed on the trial calendar for call on September 3, 1917, when October 1, 1917, was fixed for the trial on the merits as to Patent No. 621,324.

On October 1st the case came on for trial, when on motion of defendant's counsel, the Court entered a decree dismissing the bill as to Patent No. 635,280 as invalid in accordance with the mandate of the Court of Appeals, and, as the plaintiffs did not appear and prosecute their suit as to Patent No. 621,324, the Court entered an order of decree dismissing the bill as to that patent for lack of prosecution. But that Court coupled the decree for dismissal as to Patent No. 621,324, with the provision of "leave to the plaintiff at any time during the pending term to ask for a setting aside of this decree for any cause shown." The term then pending was May Term, 1917, which expired on November 12, 1917, with the beginning of the November 1917, Term of said court, but no motion or request was made by plaintiffs to set aside the decree of dismissal, and, therefore, the decree became absolute on the expiration of the term.

In support of this motion and proof of the foregoing facts, defendant files herewith as a part of this motion, certified copies of (1) the petition to the United States Circuit Court of Appeals for the Th

Circuit, (2) the transcript of record from the District Court for the Western District of Pennsylvania, showing all the proceedings in the District Court, (3) the opinion and (4) mandate of the Court of Appeals, (5) the decree of the District Court dismissing the bill as to patent No. 635,280, (6) the notes of trial including the decree dismissing the bill as to Patent No. 621,324, which were dictated by Judge Orr from the bench, (7) the entry of the order of dismissal on the equity calendar, (8) the certificate of the clerk, dated November 14, 1917, that no motion was entered during the term to set aside the decree of dismissal, and (9) the docket entries in the case.

Chicago, Illinois, December 1, 1917.

THOMAS B. KERR,  
CHARLES A. BROWN,  
*Counsel for Defendant.*

*Clerk's Certificate.*

In the United States District Court, for Northern District of Illinois,  
Eastern Division.

I, T. C. MacMillan, Clerk of the District Court of the United States of America, for the Northern District of Illinois, do hereby certify the above and foregoing to be a true and correct copy of notice and motion of defendant to dismiss the bill as to Patents Nos. 621,324 and 635,280, filed in Cause No. 621, In Equity, Niels A. Christensen, et al., v. Westinghouse Traction Brake Company, as same appears from the originals filed in said court, on the seventh day of December, A. D. 1917, and now remaining in my custody and control.

In testimony whereof, I have hereunto set my hand and affixed the seal of said Court at my office in Chicago, in said district this twenty-second day of January, A. D. 1918.

[SEAL.]

T. C. MacMILLAN,  
By ARTHUR E. CLAUSEN,  
*Deputy.*

Certified from the record this twenty-fifth day of February, A. D. 1918.

[SEAL.]

J. WOOD CLARK,  
*Clerk.*

(Received and filed January 24, 1918, U. S. D. C., W. D. Pa.)



243 In the District Court of the United States for the Western District of Pennsylvania, May Term, 1916.

In Equity. No. 80.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS MANUFACTURING COMPANY, Plaintiffs,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Defendant's Bill of Costs.*

Witness Fees—Attendance:

1. Edward J. Wessels, 4 days .....	\$6.00	
2. Henry P. Merriam, 3 days .....	4.50	
3. Joseph Colvin, 2 days .....	3.00	
4. Edward H. Dewson, 4 days .....	6.00	
5. Andrew J. Brislin, 1 day .....	1.50	
6. James Watt, 1 day .....	1.50	
7. William B. Potter, 5 days .....	7.50	
		<hr/>
		\$30.00

Examiners' Fees:

July 22, 1916, Paid Sidney C. Ormsby Co. for transcribing depositions of Edward J. Wessels, Henry P. Merriam, Joseph Colvin, Edward H. Dewson, Andrew J. Brislin, James Watt (620 folios, original and two copies) .....	130.20
Alexander Gilchrist, Jr., Notary, Attendance May 9, 10, 11, 12, 13, 15, 16, 17, 18, 19, June 14, 16, 17—13 days ..	39.00
Certifying defendant's record for file, 620 folios, at 10 cents .....	62.00
Marking 24 exhibits at 25 cents .....	6.00
Sept. 27, 1916, Paid George G. Schieffelin, Notary, 5 days. To transcribing depositions of William B. Potter, Maxwell W. Day, Edward D. Priest, Sam H. Libby and J. N. Buckley, 77 folios, original and two copies .....	15.00
	16.00

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Marking 12 exhibits at 25 cents .....	3.00
June 21, 1916, paid for printing defendant's record .....	197.40
November 15, 1916, W. J. Buckley, Notary, one copy Plaintiff's record, depositions of R. P. Tell, W. J. Richards, H. W. Cheney, E. H. Bottum, John H. Hurley, William B. Crawford and B. T. Becker, 969 folios .....	96.90
April 2, 1917, Clerk's fees, transcript of record for Circuit Court of Appeals .....	20.00
Cost of Proceedings in Circuit Court of Appeals as specified in the Mandate .....	150.00

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\$765.50

Certified from the record, this twenty-fifth day of February, A. D. 1918.

J. WOOD CLARK,  
*Clerk.*

[SEAL.]

(Received and filed December 10, 1917, U. S. D. C. W. D. Pa.)

245 In the District Court of the United States for the Western District of Pennsylvania.

In Equity. No. 80.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS MANUFACTURING COMPANY, Plaintiffs,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Objections to Defendant's Bill of Costs.*

Mr. James K. Bakewell, of Counsel for Defendant, and J. Wood Clark, Clerk of the Court.

SIRS:

Please take notice that for the following reasons plaintiffs object to taxation against them of defendant's bill of costs, copy of which has heretofore been served on the solicitors for plaintiffs:

1. The bill of costs has not been verified.
2. There has been no final determination of the issues in the cause.
3. It is not shown that the items, the cost of which defendants seek to have taxed, were material, necessary, and indispensable to the issues involved in the cause.
4. The statute permits a taxation of costs on depositions only when admitted in evidence. None were admitted in this case, as there was no trial.

Respectfully submitted,

WM. R. RUMMLER,  
REED, SMITH, SHAW & BEAL,  
*Of Counsel for Plaintiffs.*

Certified from the record, this twenty-fifth day of February, A. D. 1918.

J. WOOD CLARK,  
*Clerk.*

[SEAL.]

(Received and filed December 26, 1917, U. S. D. C., W. D. Pa.)

246 In the District Court of the United States for the Western District of Pennsylvania.

In Equity. No. 80.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS MANUFACTURING COMPANY, Plaintiffs,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Affidavit in Support of Plaintiffs' Petition to Vacate Decree of January 7, 1918, or Grant Rehearing Thereon.*

STATE OF NEW YORK,  
County of New York, ss:

Willett M. Spooner, being first duly sworn, deposes and says, as follows:

I am a member of the firm of Lines, Spooner & Quarles of Milwaukee, Wisconsin, who are the attorneys and principal counsel for the above-named plaintiffs in the action above entitled.

That there is pending in the United States District Court for the Northern District of Illinois an action between the same parties hereto and involving substantially the same issues and subject-matter and that said action was commenced at about the same time as the above-entitled action.

That on the first day of October, 1917, there was duly entered in this court a final decree dated that day dismissing United States Patent 635,280 on the merits and which said final decree is now in full force and effect. That at the same time and place the above-entitled court duly made and entered a final decree in this cause upon motion of the defendant dismissing United Patent 621,324 for want of prosecution, which said final decree last mentioned of October 1, 1917, is hereby referred to and made a part of this affidavit. That the plaintiffs during said term at which said final decree was made and entered did not make application in any way for leave to vacate or set aside or open up said final decree and the same became upon the end of the said term of the above-entitled court, at which  
the same was made and entered and filed, a final decree finally  
247 and fully dismissing for want of prosecution the above-entitled cause, and that said last mentioned final decree is now and ever since has been in full force and effect.

That thereafter and after the end of the said term of the above-entitled court at which said last mentioned final decree was made, filed and entered of record, to-wit, on or about January 7, 1918, and at a subsequent term of the above-entitled court upon motion of said defendant, a further and pretended final decree was attempted to be made, filed and entered in the above-entitled cause in said court purporting to dismiss this cause as to said United States Patent 621,324

upon the merits, and purporting also to dismiss United States Patents 635,280 likewise on the merits, and 680,842, 753,954 and 914,699 without prejudice to the rights of plaintiffs or either of them and upon the conditions in said order mentioned, and reference whereunto is hereby made for greater particularity.

The bill in this cause was dismissed by this Honorable Court without prejudice to the rights of the plaintiffs or either of them and upon the conditions therein mentioned by a certain order and decree entered by this court in this cause in February, 1917, and which said order and decree was thereafter by the Court of Appeals of the Third Circuit as to said three last above-mentioned patents in all things affirmed and ever since has been and is now in full force and effect. By said order and decree of October 1, 1917, made, dated, entered and filed in this cause on October 1, 1917, which is still in full force and effect, the bill of complaint in this cause was as to said Patent 635,280 dismissed on the merits.

That said decree of October 1, 1917, dismissing the bill as to said Patent 621,324, for want of prosecution, with leave to the plaintiffs within the term at which the same was made and entered to apply for a setting aside of this decree for proper cause shown, was thereafter brought to the notice and attention of plaintiffs' counsel. That plaintiffs' counsel refrained from making any motion to vacate said decree within said term or at any other time because they were satisfied therewith and because they had moved for a decree of similar purport and effect theretofore and were satisfied and believed that said decree was the only decree that could probably and lawfully be entered upon the record and proceedings in the above-entitled cause and upon the motions theretofore made with  
248 the same effect by both parties herein, and in consequence thereof plaintiffs' counsel acquiesced in said final decree of October 1, 1917, and believed that this cause in consequence was finally ended and dismissed, for want of prosecution, at the end of said term, and during all of said time and ever since have in good faith acted upon that belief and understanding and have conducted themselves accordingly.

That during the month of December, 1917, defendant, by its counsel, appeared on their motion in the action between the parties hereto pending in the District Court for the Northern District of Illinois as above referred to and formally moved that the action pending in said Illinois court be dismissed on the merits upon the ground that the aforesaid decree of October 1, 1917, dismissing said Patent 621,324, for want of prosecution, in this court was a final decree when the term of this court, in which it was entered, had expired, because counsel for plaintiffs did not appear or take any steps to have the same set aside during that time, and pursuant to leave granted by the said decree and in support of said motion filed in said District Court of Illinois a certified copy of said decree, as I am informed and verily believe to be true.

Defendant's counsel argued said motion, electing to treat said decree of October 1, 1917, as to said Patent 621,324 as a final decree and as a bar to said action in the District Court of Illinois. Plain-

tiffs' counsel appeared upon the hearing of said motion in Illinois and assented and agreed with defendant's counsel that said decree of October 1, 1917, as to said Patent 621,324 was in all respects a final decree but plaintiffs' counsel then and there contended that as such final decree it was no bar to said suit in said District Court of Illinois.

Thereafter and on or about January 14, 1918, the defendant in this action, which is the defendant in said Illinois action, filed a copy of a further and purported final decree entered in this cause at Pittsburgh on January 7, 1918, purporting to dismiss the bill of complaint in this cause upon the merits as to said Patents 621,324 and 635,280 and have ever since and are now asserting in said court that said decree last mentioned is not only a final decree but is also a bar to the further prosecution of said Illinois suit. That said defendant's motion in the Illinois case is still pending and undetermined and is set for hearing on January 28, 1918.

That the plaintiff, Allis-Chalmers Manufacturing Company, is a mere nominal party-plaintiff herein and has always and does now refuse to participate in any shape, manner or form in said litigation, excepting only to lend its name as party-plaintiff and that it is not interested in the event of this cause or of the recovery herein, and that the real party in interest is, and at all times has been, the above-named plaintiff N. A. Christensen.

I am familiar with the financial status of said plaintiff Christensen as disclosed by affidavits heretofore filed in this court, which said affidavits are hereby referred to and made a part hereof with the same force and effect as if the subject-matter therein had been set out specifically in this affidavit, and upon information and belief, that the financial status of the said plaintiff Christensen is now and ever since has been the same as it was when said affidavits referred to were duly filed in this court. That said Christensen has failed, by reason of financial inability, to compensate his counsel or to pay for a large portion of the expenses incurred in this and other litigation relating to the patents herein referred to, such expenses being in the main unpaid.

That there has been no hearing, trial or trials of the issues involved in the action above entitled and no presentation of facts of any name, nature or description to this court relating to the merits involved in the litigation as above entitled. That said alleged decree of January 7, 1918, does not conform to the truth or the facts or recite the actual status of the case and has been urged by defendant in Illinois as a bar to the prosecution, on the merits, of said plaintiff against the said defendant, and said decree if permitted to stand will work serious and irreparable injury and damage to the plaintiff, may deprive him of his day in court and the prosecution of his just rights against defendant, and subject him to costly, unnecessary and otherwise burdensome litigation which may through lapse of time and constant litigation through the various courts of the United States in effect deprive him of his opportunity to have his claim heard by the court on the merits.

This action was brought in good faith and but for the financial

inability of said Christensen as hereinbefore stated the same would have been prosecuted to a conclusion.

This affidavit is made in support of plaintiffs' petition for the vacating of said decree of January 7, 1918 or in the alternative for a rehearing thereon.

WILLET M. SPOONER.

250 Sworn to before me this 23d day of January, 1918.

SAMUEL BRENNER,

[SEAL.]

Notary Public, Kings County.

Certificate filed in New York County.

Kings County Clerk's No. 189.

Kings County Register's No. 8175.

New York County Clerk's No. 502.

New York County Register.

My commission expires March 30, 1918.

Received copy January 23, 1918, at 4:50 P. M.

THOMAS B. KERR,

Counsel for Defendant.

Certified from the record, this twenty-fifth day of February, A. D. 1918.

J. WOOD CLARK,

[SEAL.]

Clerk.

(Received and filed January 24, 1918, U. S. D. C., W. D. Pa.)

In the District Court of the United States for the Western District of Pennsylvania.

In Equity. No. 80.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS MANUFACTURING COMPANY, Plaintiffs,  
against

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Amendatory and Supplemental Petition for Vacation and Rehearing of Decree.*

And now come the petitioners, Niels A. Christensen and Allis-Chalmers Manufacturing Company, and respectfully file this, their petition for a vacation of and rehearing on the final decree in form entered herein on the seventh day of January, 1918, and respectfully allege the following special matter and causes in support thereof, to-wit:

251 I. That on the first day of October, 1917, defendant moved the Court for an order dismissing the bill herein at the cost

of plaintiffs for want of prosecution as to all matters and facts and things therein contained, excepting only as to Patent No. 635,280 and the Court thereupon entered a decree dismissing said bill for want of prosecution as to all the matters, facts and things in said bill contained, excepting only as to said Patent No. 635,280, with leave, however, to plaintiffs during said term to ask for a setting aside of said decree for proper cause shown.

II. That said decree of October 1, 1917, was treated by the parties to the above-entitled proceedings as a decree, it reciting on the face thereof that it was a decree. Plaintiffs, being satisfied therewith and having heretofore asked that the complaint be dismissed without prejudice, permitted said decree to stand, and defendant treated it as a final decree by attempting to tax costs thereon, and by making motion duly verified, in a further proceeding between the parties hereto then and now pending in the United States District Court for the Northern District of Illinois, wherein the parties plaintiff herein are the parties plaintiff and the party defendant herein is the defendant, said motion asking that said suit last mentioned be dismissed on the allegation that said decree of October 1, 1917, was a final decree in the above-entitled proceedings.

III. That after the expiration of said term, defendant asked for the entry of a further, other and different decree herein, and the Court in form entered such a decree on the seventh day of January, 1918, in form dismissing the bill of complaint herein on the merits as to Patent No. 621,324.

IV. That because of conditions arising through no fault of counsel for plaintiffs, and which are more particularly set out in the affidavits of Willet M. Spooner and Louis Quarles, filed on the tenth day of January, 1918, reference to which is hereby made, attorneys for plaintiffs were unable to and did not appear and oppose the entry of said decree so in form entered on the seventh day of January, 1918. That said decree so in form entered is prejudicial to plaintiffs for the following reasons, among others, to-wit:

1. It is void for want of jurisdiction, having been entered subsequent to the expiration of the term at which the true final decree herein was entered, to-wit, the decree of October 1, 1917:

2. It in terms dismisses the above-entitled proceedings as to all matters except Patent No. 635,280 on the merits, whereas in truth and in fact no trial, hearing or decision has been had upon the merits;

3. It departs from the decree of October 1, 1917, and does not conform to the motion of defendant's counsel that the decree be dismissed as to all such matters for want of prosecution, or as to plaintiffs' motion to the same effect that the decree be dismissed without prejudice;

4. Its entry is not warranted by the mandate of the United States Circuit Court of Appeals of the Third Circuit heretofore filed hereon on the third day of August, 1917;



5. It was entered without consideration by the Court of the question of its want of jurisdiction of the subject-matter herein as to Patent No. 621,324, because the bill was filed and a subpoena ad respondendum served too late.

Plaintiffs file herewith, as a part of and in support of this petition, the affidavit of Willet M. Spooner, and a certified copy of defendant's motion for judgment in the said motion in the Northern District of Illinois.

Wherefore, petitioners pray that said Court vacate said decree in form entered on the seventh day of January, 1918, for want of jurisdiction, and in the alternative, that it grant a rehearing thereon and enter a decree either dismissing the bill herein as to Patent No. 621,324 for want of jurisdiction, or in the alternative, dismissing it for want of prosecution.

And your petitioners, as in duty bound, will ever pray, etc.

NIELS A. CHRISTENSEN,  
ALLIS-CHALMERS MANUFACTURING  
COMPANY.

By REED, SMITH, SHAW & BEAL,  
LINES, SPOONER & QUARLES,

*Their Attorneys.*

Dated January 23, 1918.

We hereby certify that we are of counsel for the petitioners herein, Niels A. Christensen and Allis-Chalmers Manufacturing Company; that the allegations of fact contained in said petition are true. That said petition, in our opinion, is well founded in law.

JOSEPH B. COTTON,  
WILLET M. SPOONER,  
LOUIS QUARLES.

253 Received copy January 23, 1:30 p. m.

THOMAS B. KERR,  
*Counsel for Defendant.*

Certified from the record this twenty-fifth day of February, A. D. 1918.

J. WOOD CLARK,  
*Clerk.*

[SEAL.]

(Received and filed January 24, 1918, U. S. D. C., W. D. Pa.)

Willet M. Spooner, and knows the contents thereof, and that the same is true. Affiant further says that he concurs fully in the opinion in the aforesaid affidavit contained.

LOUIS QUARLES.

Sworn to and subscribed before me this 10th day of January, A. D. 1918.

[SEAL.]

L. H. DERKEN,  
*Notary Public.*

Certified from the record this twenty-fifth day of February, A. D. 1918.

J. WOOD CLARK,  
*Clerk.*

(Received and filed January 10, 1918, U. S. D. C., W. D. Pa.)

256 In the District Court of the United States for the Western District of Pennsylvania, May Term, 1916.

In Equity. No. 80.

NIELS A. CHRISTENSEN et al.

v.

WESTINGHOUSE TRACTION BRAKE CO.

*Opinion.*

ORR, J.:

An application has been made on the part of the plaintiffs to vacate a decree entered in this court on the seventh day of January 1918. The application was made on January 10th. Notice was given to the counsel for the plaintiffs on the 31st of December, 1917, that application was made by the defendant to have a decree entered on January 3rd, 1918, and a form of such decree accompanied said notice. The application was made by the defendant at the time fixed and the matter was held until the 7th of January, when the decree was entered. The plaintiffs' counsel, in the affidavits in support of their present motion, present a sufficient excuse for not being present at the time fixed in the notice served upon them, to-wit, that storm conditions were of such a character that they were unable to give the matter the attention which it deserves. A brief statement of some of the features of this litigation may be proper.

The case, being ready for trial near the close of 1916, was set for trial early in the year 1917. Prior to the time fixed for trial, this Court permitted the defendant to have its bill dismissed, and entered a decree to that effect, imposing certain terms. The decree of this Court was subsequently reversed by the Circuit Court of Appeals with respect to certain of the patents involved, and the bill was reinstated for further proceedings with respect to said patents, in con-

formity with the opinion of the Circuit Court of Appeals. Again the case was on the trial list in this court and fixed for trial on October 1, 1917. On that day the plaintiffs failed to appear, and thereupon counsel for the defendant presented to the Court a form of decree which conformed with the mandate of the Circuit Court of Appeals which disposed of subject-matter of the controversy between the parties, excepting the rights of plaintiffs under Patent No. 621,324. In the absence of the plaintiffs, when the case was called for trial, the solicitors for the defendant moved the Court that the bill be dismissed at the cost of the plaintiffs, for want of prosecution, and thereupon the Court made the following ruling:

"With respect to Patent No. 621,324, the defendant appearing, by its counsel, and the plaintiffs not appearing by counsel representing them except by the local counsel required under the rules to be associated with foreign counsel, and motion having been made by the defendant that the bill be dismissed for want of prosecution, that motion must be sustained; but it not appearing that the principal counsel for the plaintiff have had actual notice of the time fixed for the final hearing in this case, and it being questionable whether or not local counsel had actual notice thereof, this Court, over objection by Mr. Frazer, who has been the local associate of the plaintiffs' principal counsel, does now dismiss the bill, for want of prosecution, with leave to the plaintiff at any time during the pending term to ask for a setting aside of this decree for proper cause shown."

To that ruling the defendant did not except. It may be noticed also that the defendant did not offer any testimony which would throw any light upon the merits of the controversy then existing between the parties. The term expired without anything being done on behalf of the plaintiffs or by the defendant. Subsequently, on January 3, 1918, as aforesaid, the defendant presented the following decree, which this Court signed on the third day of January, as above stated:

"This cause having come on to be heard, upon consideration thereof, it was ordered, adjudged and decreed as follows, viz.:

"That as to Patents Nos. 680,842, 753,954 and 914,699, the bill is dismissed without prejudice to the rights of plaintiffs or either of them; provided, however, that all depositions heretofore taken herein may be used in any pending or subsequent litigation between plaintiffs and defendant, or their privies;

"That as to Patents Nos. 621,324 and 635,280, the bill of complaint is dismissed on the merits;

"And that defendant do recover its costs to be taxed under the direction of the clerk and have judgment and execution therefor against the plaintiffs.

"Pittsburgh, January 7, 1918."

That decree is not in conformity with the facts, inasmuch as it states that as to Patents Nos. 621,324 and 635,280 the bill of complaint is dismissed on the merits. The merits of the controversy were not considered by the Court. By the use

of the expression, "merits of the controversy," is not meant the relative rights—moral, ethical or pecuniary—between the parties, but merely the "subject-matter of the litigation." The subject-matter of the litigation as a matter of fact was not considered by the Court at the time such decree was entered, and in that respect the decree was contrary to the fact. What operated upon the mind of the Judge who entered the decree of the court was the insistence by the defendant's counsel in the language quoted: "That the plaintiff should not be allowed to obtain by indirection that which he was not permitted to obtain by direction." In explanation of that, it was urged that because of the reversal by the Court of Appeals of the decree dismissing the bill at plaintiffs' own instance, that therefore the plaintiffs, by staying away from the trial, ought not to be able to effect a dismissal of their bill for want of prosecution. The real effect of the words "upon the merits" in the decree were not seriously considered as they should have been had the principal counsel for the plaintiffs been present.

A number of questions are raised in this motion which are unnecessary to be considered, the chief of which is whether the order entered at the trial was such a decree as should not be changed after the term at which it is entered. The real reason for setting aside the decree or order of January 7, 1918, is because it is contrary to the fact in stating that the bill as to Patent No. 621,324 was dismissed upon the merits. In so far as that appears in the decree, the same must be set aside. No other decree ought to be entered than that in accordance with the proceeding had on October 1, 1917, upon plaintiffs' own motion to dismiss the bill for want of prosecution. In the absence of some evidence or other showing which could have been offered to enable the Court to determine the case with respect to the subject-matter of the litigation, an order must be entered, vacating the decree entered in this cause on the 7th of January, 1918.

Certified from the record this twenty-fifth day of February, A. D. 1918.

J. WOOD CLARK,

Clerk.

(Received and filed February 11, 1918, U. S. D. C., W. D. Pa.)

239 In the District Court of the United States for the Western District of Pennsylvania.

In Equity. No. 80.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS MANUFACTURING COMPANY

v.

WESTINGHOUSE TRACTION BRAKE COMPANY.

*Hearing on Petition for Decree to Vacate Former Decree.*

And now, Monday, March 11, 1918, at 10 o'clock A. M., before Honorable Charles P. Orr, Judge, counsel for the respective parties appeared in court, the plaintiff being represented by John G. Frazer Esq. (of Messrs. Reed, Smith, Shaw & Beal), the defendant by James K. Bakewell, Esq.

Mr. Frazer, on behalf of the plaintiff, presented to the Court a form of decree, in accordance with the opinion of the Court recently filed setting aside a decree filed on January 7, 1918; said decree to vacate in form the decree entered on January 7, 1918; also decree that, as to Patent No. 621,324, to Niels A. Christensen, dated March 18, 1899 the bill of complaint stands dismissed for want of prosecution, with costs to defendant, to be taxed under the direction of the clerk, and defendant to have execution therefor against the plaintiff.

Mr. Bakewell: I desire, if the Court please, to enter an exception to the vacation of the form of decree.

I also except to the form of the new decree, in so far as it differs from the former decree that has already been entered, that is, the decree of January 7, 1918.

I also except to the entry of this new decree.

By the Court: The exceptions are allowed. I will enter this decree. If there is anything further, Mr. Bakewell, on which you desire to be heard, I will hear you. That decree of January 7th, 1918, is and was contrary to the facts.

Mr. Bakewell: We believe that we are entitled to a decree that goes to the merits of the case. Because, replications having been done away with, the answer should be taken exactly as a bill, pro confessor, where the defendant fails in the prosecution of a defense.

By the Court: That might be, if the answer asks for affirmative relief. But, as I understand it, the answer does not ask for that.

Mr. Bakewell: That may be true, but the answer sets up a defense which we contend should be sufficient.

By the Court: The Court does not believe that the position is sound. In order for a defendant to avail himself of the matters set up in his answer, where no affirmative relief is required, the defendant should offer evidence in support of the matters contained in his answer, if

he desires a decree upon the merits. I am clear upon that, Mr. Bakewell.

Mr. Bakewell: We take the opposite view—that it should follow the procedure as in the case of a bill, where no proof is required.

By the Court: The exceptions are noted.

Certified from the record, this eleventh day of March, A. D. 1918.

J. WOOD CLARK,  
Clerk.

Hearing held Monday, March 11, 1918.

261 & 262 In the District Court of the United States for the Western District of Pennsylvania.

In Equity. No. 80.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS MANUFACTURING COMPANY, Plaintiffs,

v.

WESTINGHOUSE TRACTION BRAKE COMPANY, Defendant.

*Decree Dismissing Bill of Complaint as to Patent No. 621,324.*

The petition of plaintiffs to vacate the decree in form entered January 7, 1918, having come on to be heard, and having been argued by counsel, and the Court being fully advised in the premises, it is

Ordered, adjudged and decreed that said decree in form entered on January 7, 1918, be and the same hereby is vacated, set aside, and held for naught.

It is further ordered, adjudged and decreed that as to Patent No. 621,324 to Niels A. Christensen, dated March 21, 1899, the bill of complaint stands dismissed for want of prosecution, with costs to defendant to be taxed under the direction of the clerk, and defendant to have execution therefor against the plaintiffs.

Pittsburgh, March 11, 1918.

CHAS. P. ORR,  
District Judge.

Certified from the record this eleventh day of March, A. D. 1918.

J. WOOD CLARK,  
Clerk.

Filed March 11, 1918.

263 & 264 In the United States Circuit Court of Appeals for the Third Circuit, March Term, 1918.

No. 47.

WESTINGHOUSE TRACTION BRAKE COMPANY, Petitioner,  
against

Honorable CHARLES P. ORR, NIELS A. CHRISTENSEN, ALLIS-CHALMERS MANUFACTURING COMPANY, Respondents.

*Respondents' Objections and Answer to Petition for Writ of Mandamus or Certiorari.*

Joseph B. Cotton, Willet M. Spooner, William R. Rummeler, Louis Charles, of Counsel for said Respondents.

265 In the United States Circuit Court of Appeals for the Third Circuit, March Term, 1918.

No. 47.

WESTINGHOUSE TRACTION BRAKE COMPANY, Petitioner,

v.

Honorable CHARLES P. ORR, NIELS A. CHRISTENSEN, ALLIS-CHALMERS MANUFACTURING COMPANY, Respondents.

Objections by Respondents Niels A. Christensen and Allis-Chalmers Manufacturing Company to Petition of the Petitioner for Writ of Mandamus or Writ of Certiorari from the Above-Entitled Court to the United States District Court for the Western District of Pennsylvania and to the Filing Herein of Such Petition.

Come now respondents Niels A. Christensen and Allis-Chalmers Manufacturing Company and make and file objections to the petition of the petitioner in the above entitled proceeding now presented to this Court for writ of mandamus or writ of certiorari from this Court to the United States District Court for the Western District of Pennsylvania and to the filing of such petition in this cause in this Court, as follows:

First. That said petition is wholly unverified by affidavit, and that no true, full and complete transcript of the entire record in the District Court below, duly and properly authenticated by the Clerk thereof and under the seal of that Court, accompanies said petition as a part thereof or as an exhibit thereto, and that in consequence such petition is not in compliance with the rules and practice of the Supreme Court of the United States and which practice has been



adopted as the practice of this Court by Rule 8 of its rules now in full force and effect.

Second. That said petition has no certificate of counsel attached thereto in effect that the allegations thereof are true and that said petition, in counsel's opinion, is well founded in law as is required by the practice in the Supreme Court of the United States obtaining in such cases.

Third. That upon the face of said petition and the pretended supplemental transcript of record presented and submitted therewith, it appears that said petition is inaccurate, omits or states imperfectly certain important facts, is in part untrue, and utterly fails to show any disregard or violation by the Court below of the decision and mandate of this Court at the March, 1917, term hereinafter and in said petition referred to; that said supplemental transcript contains inserts and headings by counsel which are no part of the record below, and is not a complete and entire transcript from the said Court below, and in consequence is not a true and complete supplement to the transcript filed herein at the March, 1917, term of this Court.

267 Fourth. That upon the face of said petition and said purported supplemental transcript of record it appears that a suit in equity was brought in March, 1916, by the said respondents against the petitioner in the District Court for the Western District of Pennsylvania upon (so far as here material) two certain letters patent of the United States, namely, No. 621,324 issued March 21, 1899, and No. 635,280 issued October 17, 1899; that the bill therein submitted the question as to which of these two patents was valid as an issue to be determined by the Court, and prayed for an injunction alternatively under the first patent or the second; that the bill and the answer, without regard to any other consideration, matter or defense, contained all the facts needed for a decision of this question on the merits as to these two patents; that the answer contained other alleged defenses, including the one of want of equity, in the bill; that on June 15, 1917, on a petition for writ of mandamus or writ of certiorari, without it being decided whether either writ would lie, but by agreement of counsel for both sides in open Court this Court heard arguments by counsel upon and considered the merits of the controversy as to the two patents, and on July 3, 1917, this Court decided that the second patent was invalid and that accordingly the said bill was reinstated only so far as it affected the two patents, and not otherwise; that thereupon the petitioner, by this Court's decision, was at liberty to urge any defense to the bill that was available under its answer with a like effect as if the bill had been originally brought only upon the first patent; that on all such matters this Court decided nothing and expressed no opinion as to whether, in view of the date when the bill was filed, the remedy in equity was open to the said respondents or in case the equitable remedy was available, to what extent, if any, the petitioner was liable to account in case the

268 Court below should find infringement; that the bill was reinstated by this Court for further proceedings in conformity with such decision; that thereupon the case was put on the regular trial calendar of the Court below, which was called on September 3, 1917, and was set for trial in the Court below on October 1, 1917; that the case came on for hearing in the Court below in the absence of said defendants and their counsel and thereupon, on said day, a decree was entered upon motion of the petitioner decreeing said second patent as invalid in accordance with the opinion and mandate of this Court, and at the same time, to wit, October 1st, 1917, the petitioner, by its counsel, moved that said bill, which then stood as if brought upon the first patent only be dismissed, at the cost of said respondents, for want of prosecution, whereupon the Court ordered and decreed that the Court "does now dismiss this bill for want of prosecution, with leave to the plaintiffs (said respondents) at any time during the pending (May, 1917) term to ask for a setting aside of this decree for proper cause shown", to which ruling and decree the petitioner, by its counsel, did not except but acquiesced therein; that said pending or May, 1917, term ended at midnight November 11, 1917, and that no motion or application was ever made by said respondents to vacate said order and decree of October 1, 1917, so dismissing said bill for want of prosecution; that thereafter and at a subsequent term of said Court, although opposed by counsel for said respondents, the Court below, on January 7, 1918, entered the decree on the merits, on motion of petitioner's counsel, as shown on page 4 of the printed petition; that on January 10, 1918, the said respondents, for reasons and grounds shown in said supplemental transcript, moved for a re-hearing and vacation of said decree of January 7, 1918; that said matter was argued on January 24, 1918, and  
269 decided by the Court below by opinion filed February 11, 1918, and referred to in said printed transcript at pages 126 et seq.; that thereupon and in conformity with said opinion of February 11, 1918, said decree of January 7, 1918, was vacated and said decree of March 11, 1918, dismissing said bill for want of prosecution, with costs to petitioner, was made and entered in the Court below in said case (see page 6 of printed petition) and to review and reverse which this petition is sought to be filed in this Court.

That therefore, upon the face of said petition and said supplemental transcript of record, it appears that this case upon said bill as to the first patent came on for hearing and trial before the Court below on October 1, 1917, precisely in the same manner as any case in equity would; that the Court below then and there had and possessed all the powers, rights and legal discretion it ever possessed as to this case or as to any case in equity before it, with the sole exception that this Court had held said second patent was void and complying with which decision of this Court the Court below, on October 1, 1917, had entered a decree as to said second patent accordingly (see supplemental transcript, page 102); that in the absence of said respondents and their counsel on October 1, 1917, the petitioner had open and available all the remedies and procedure

it ever had in said cause as a party litigant; that it could, under its said answer, have moved for a dismissal of the bill for want of equity or for a dismissal thereof without prejudice or for want of prosecution or insisted on proceeding to trial, and then and there tried said cause and secured a decree of dismissal on the merits; that in lieu of any other remedy or course so open the petitioner, by its counsel, expressly moved for a dismissal for want of prosecution, with costs to said

respondents, and that the Court below in due and proper exercise of its sound, legal discretion granted petitioner's said motion and then and there entered an order and decree accordingly, dated October 1, 1917, and effective at the end of the May 1917, term if not set aside by the Court below for cause shown by said respondents; that thereupon the petitioner filed its bill of costs and undertook to tax the costs below in said cause and then and there thereupon, and at Chicago later, after said term had expired, in a similar case between the said parties considered, treated and expressly recognized said order and decree of October 1, 1917, dismissing said bill for want of prosecution, as a final decree and acted accordingly.

In consequence of the foregoing, said order and decree of October 1, 1917, dismissing upon petitioner's own motion said bill for want of prosecution, was and ever since has been and now is a final and conclusive decree and was and is entirely within the power and sound legal discretion of the Court below to make and enter and was and is fully authorized by the said opinion and mandate of this Court of July 3, 1917, in said petition referred to;

That said petitioner, having so elected to have such disposition made of the case and said order and decree of October 1, 1917, made and entered upon its own motion, is now and has always since said date been fully bound thereby, and is now and ever since said May 1917, term of the Court below expired has been estopped from attacking or questioning said order and decree or further proceeding in said cause either in the Court below or this Court;

That the Court below was wholly without jurisdiction to make and enter said decree of January 7, 1918, and which decree was and is wholly void.

Fifth. That upon the face of said petition and said supplemental transcript of record it appears that said decree of March 11, 1918, which was made by said Court wholly within its power and jurisdiction, is a final decree which is appealable, and that in consequence this petitioner has a speedy, adequate, full and complete remedy by writ of error or appeal to this Court either of which is its sole remedy under the law and adjudication of this Court and other similar courts.

Sixth. That the writ of mandamus or the writ of certiorari will not lie herein to control or abridge or deny the sound, judicial discretionary powers and acts of the Court below or to compel entry therein of a void decree or a decree exceeding or beyond jurisdiction or constitutional powers of the Court below.

Seventh. That as the decree of March 11, 1918, is a final decree and within the sound, judicial discretion of the Court below, which is appealable, this Court is without power or jurisdiction to issue either the writ of mandamus or the writ of certiorari in this proceeding.

Eighth. That the petitioner by said petition is attempting to have the writ of mandamus or the writ of certiorari issued as original process in this Court in this matter, to do which this Court is without power or jurisdiction under the Acts of Congress of the United States creating this Court and similar Circuit Courts of Appeal.

Ninth. That the sole purpose of said petition is to secure a review and reversal of the appealable decree and decision of the Court below of March 11, 1918, by writ of mandamus or writ of certiorari and without suing out a writ of error or taking an appeal under and in accordance with the law and settled practice of this Court and other

Circuit Courts of Appeal; that even if such right exists no ground or cause exists or is shown by said petition for the issuance of either the writ of mandamus or the writ of certiorari herein and that if granted upon this petition every appealable decree of the Court below, in any cause, will under such decision be reviewable here by writ of mandamus or writ of certiorari and in consequence writs of error or appeals will cease to exist or be employed in appellate proceedings in this Court.

Tenth. That the issuance by this Court herein of the writ of mandamus or the writ of certiorari upon said petition would not be in aid of this Court's appellate jurisdiction or to enforce its decrees and mandates but would be an original process issued by this Court without power or jurisdiction under the Acts of Congress creating this Court and similar Circuit Courts of Appeal.

Wherefore for these, among other reasons, said respondents respectfully submit that the petitioner's application for leave to file said petition, as well as the petition itself, should be denied with costs, and your said respondents will ever pray, etc.

Dated, Philadelphia, Pennsylvania, April 1, 1918.

JOSEPH B. COTTON,  
WILLET M. SPOONER,  
WILLIAM R. RUMMLER,  
LOUIS QUARLES,

*Counsel for said Respondents.*

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*Certificate.*

We hereby certify that we are of counsel for the respondents herein, Niels A. Christensen and Allis-Chalmers Manufacturing Company; that the foregoing objections and the statements of fact therein contained are true, and that said objections, in our opinion, are well founded in law.

JOSEPH B. COTTON,  
WILLET M. SPOONER,  
WILLIAM R. RUMMLER,  
LOUIS QUARLES.

274 In the United States Circuit Court of Appeals for the Third Circuit, March Term, 1918.

No. 47.

WESTINGHOUSE TRACTION BRAKE COMPANY, Petitioner,

v.

Honorable CHARLES P. ORR, NIELS A. CHRISTENSEN, ALLIS-CHALMERS MANUFACTURING COMPANY, Respondents.

*Answer of Respondent- Niels A. Christensen and Allis-Chalmers Manufacturing Company to Petition for Writ of Mandamus or Certiorari.*

Come now the respondent- Niels A. Christensen and Allis-Chalmers Manufacturing Company and for answer to the petition of the petitioner in the above entitled cause and proceeding for writ of mandamus or writ of certiorari from this Court to the United States District Court for the Western District of Pennsylvania allege and state, as follows:

First. On March 11, 1916, a suit in equity was brought by the said respondents against the petitioner in the District Court for the Western District of Pennsylvania upon (so far as here material) a certain exclusive grant and monopoly from the United States  
275 to respondent Christensen for a certain new and useful improvement in combined pumps and motors. For reasons stated in the bill of complaint therein, to evidence the contract between the United States and said Christensen two certain letters patent of the United States, namely, No. 621,324 issued March 21, 1899, and No. 635,280 issued October 17, 1899, were issued to said Christensen. The bill therein submitted the question as to which of these two patents was valid and evidenced said contract and grant as issues to be determined by the Court and prayed for an injunction alternatively under the first patent or the second. Thereafter the petitioner, as the defendant therein, answered and the bill and the answer, without regard to any other consideration, matter or defense, contained all the facts needed for a decision of this question on the merits as to said two patents. The answer contained other alleged defenses and asserted that both patents were void. After issue joined and various proceedings had in the Court below, on motion of the respondents the cause was dismissed by the Court below without prejudice on February 24th, 1917. Thereafter, on April 23rd, 1917, the petitioner filed in this Court a petition for writ of certiorari or mandamus upon the ground that upon the face of the bill and the answer, independent of any other papers, records or considerations whatsoever, two issues fully appeared, namely (a) as to the validity of said second patent, and (b) as to the lack of equity jurisdiction under said first patent, and that the Court below from

such bill and answer had full means of deciding these questions and issues on the merits and that the refusal of the Court below so to do had the effect of depriving the petitioner of any right of appeal. On June 15, 1917, on such petition for writ of certiorari or mandamus, without it being decided by this Court whether either writ would lie but by agreement of counsel for both sides  
276 in open court, this Court heard arguments by counsel upon and considered the merits of the controversy as to the two patents, at which hearing the petitioner contended that the second patent was invalid and that the bill should be dismissed as to the first patent for the reason that equity had no jurisdiction with regard to said patent and for reasons and upon grounds urged in the brief of the petitioner filed in said proceeding. On July 3rd, 1917, this Court decided that the second patent was invalid and reinstated the bill only so far as it affected the two patents, and not otherwise. To avoid misunderstanding (and, if possible, to prevent further controversy on several points) this Court also held that the petitioner was at liberty to urge any defense to the bill that was available under its answer with the same effect as if the bill had been originally brought only under the first patent. On all these matters this Court decided nothing and expressed no opinion upon the question (1) whether, in view of the date when the bill was filed, the remedy in equity was open to the plaintiff, or upon the question (2) to what extent the petitioner would be liable to account in case the equitable remedy should be adjudged by the Court below to be available and the petitioner be found to have infringed. Accordingly the decree of dismissal was reversed so far, and so far only, as it affected the said two patents and the bill was reinstated by this Court for further proceedings in conformity with its opinion. (See *Westinghouse v. Christensen*, 243 Fed. Rep. 901, 906).

Second. In accordance with the mandate of this Court the case was put on the regular trial calendar of the Court below, which was called on September 3, 1917, and was set for trial in the Court below on October 1, 1917. On the date last named the case came  
277 on for hearing in the Court below in the absence of the respondents, and thereupon on said day on motion of the petitioner a final decree was entered in the Court below adjudging and decreeing said second patent was invalid, having been issued without warrant of law, and finally and forever dismissing said bill as to said second patent with costs to the respondents, all in accordance and full compliance with the said opinion and mandate of this Court filed in the Court below on August 3, 1917. At the same time, to-wit, on October 1st, 1917, the petitioner by its counsel then and there moved that the said bill of complaint, which then stood in said Court below as if brought only under the first patent, be dismissed at the cost of the said respondents for want of prosecution. Whereupon the Court below ordered and decreed that "this Court, over objections by Mr. Frazer, who has been the local associate of plaintiffs' (said respondents) principal counsel, does now dismiss this bill, for want of prosecution, with leave to the plaintiffs (said



respondents) at any time during the pending (May, 1917) term to ask for a setting aside of this decree for proper cause shown." To which ruling and decree the petitioner by its counsel did not except, but fully acquiesced therein. At the same time and place a similar motion and order and decree were made as to case No. 91, November term, 1916, in equity, pending in the Court below, between the same parties and represented by the same counsel and as to which order and decree in said equity case No. 91 no further proceedings of any kind have ever since been had in the Court below or elsewhere. The May, 1917, term of the Court below ended at midnight November 11, 1917, and no motion or application was ever made by said respondents to vacate said order and decree of October 1, 1917, so dismissing said bill for want of prosecution with costs to said respondents. The said order and decree of October 1, 1917, dismissing the bill as to said first patent for want of prosecution with leave to the said respondents, within the term at which the same was made and entered, to apply for a setting aside of the decree for proper cause shown to the Court below, was thereafter and within said May, 1917, term brought to the notice and attention of said respondents' counsel, who refrained from making any motion to vacate said decree within said May, 1917, term, or at any other time, because they and the respondents were satisfied therewith and believed that said decree was the only one which could properly and lawfully be entered upon the record and proceedings in such case and upon the motion theretofore made with the same effect by both parties therein. In consequence thereof respondents and their counsel fully acquiesced in said final decree of October 1, 1917, and believed that said cause and proceedings were finally ended and dismissed for want of prosecution at the end of said May, 1917, term, and have acted accordingly.

Third. When the said May, 1917, term ended, to-wit, at midnight November 11, 1917, said order and decree of October 1, 1917, dismissing said bill as to the said first patent for want of prosecution, became and ever since has been a final judgment and decree in said cause in the Court below and binding upon all parties thereto and has never been modified or vacated in whole or in part. On December 10, 1917, the petitioner, as the defendant in the court below, filed its bill of costs therein, to the taxing of which said respondents filed written objections to the Court below on December 26, 1917.

Fourth. On March 14, 1916, said respondents, as plaintiffs, filed in the United States District Court for the Northern District of Illinois, Eastern Division, the same identical bill of complaint against the petitioner, as the defendant therein, as respondents had filed in the United States District Court for the Western District of Pennsylvania on March 11, 1916, and that the said defendant, the petitioner herein, made and filed in said cause in the District Court of Illinois the same answer, setting up the same defenses as in the Court below in the case in the United States District Court for the Western District of Pennsylvania. The said Ill.



nois case is at issue but has never been tried. No testimony has ever been taken therein. The bill of complaint has never been construed by the said Illinois District Court or by the Circuit Court of Appeals of the Seventh Circuit of the United States. On or about December 7, 1917, by motion dated December 1, 1917, the said defendant, in said Illinois case, being the petitioner herein, moved to dismiss the bill of complaint in said Illinois case as to said first and second patents which said motion, after reciting the facts with reference to the filing of the bill in this cause in the Court below and the proceedings in said Court and in this Court, is (so far as here material) in words and figures as follows:

"The case went back to the District Court, and was placed on the trial calendar for call on September 3, 1917, when October 1, 1917, was fixed for the trial on the merits as to Patent No. 621,324.

On October 1st the case came on for trial, when on motion of defendant's counsel, the Court entered a decree dismissing the bill as to Patent No. 635,280 as invalid in accordance with the mandate of the Court of Appeals, and, as the plaintiffs did not appear and prosecute their suit as to Patent No. 621,324, the Court entered an order or decree dismissing the bill as to that patent for lack of prosecution. But that Court coupled the decree for dismissal as to Patent No. 621,324, with the provision of 'leave to the plaintiff at any time during the pending term to ask for a setting-aside of this decree for proper cause shown.' The term then pending was May Term, 1917, and expired on November 12, 1917, with the beginning of the November, 1917, Term of said court, but no motion or request was made by the plaintiffs to set aside the decree of dismissal, and, therefore, the decree became absolute on the expiration of the term.

In support of this motion and proof of the foregoing facts, defendants files herewith as a part of this motion, certified copies of (1) the petition to the United States Circuit Court of Appeals for the Third Circuit, (2) the transcript of record from the District Court for the Western District of Pennsylvania, showing all the proceedings of the District Court, (3) the opinion and (4) mandate of the Court of Appeals, (5) the decree of the District Court, dismissing the bill as to Patent No. 621,324, which were dictated by Judge Orr from the bench, (7) the entry of the order of dismissal on the equity calendar, (8) the certificate of the clerk, dated November 14, 1917, that no motion was entered during the term to set aside the decree of dismissal, and (9) the docket entries in the case."

Thereafter, and on or about December 7, 1917, said respondents opposed said motion and, while conceding that both said decrees mentioned in said motion were final decrees, denied that the same were res adjudicata in said Illinois case, and particularly denied that the said decree of October 1, 1917, dismissing said bill as to said first patent for want of prosecution, was res adjudicata in said Illinois case. Counsel for petitioner argued said motion in the Illinois case electing to treat said decree of October 1, 1917, as to said patent No. 621,324 as a final decree and as a bar to said action in the said District Court of Illinois. Counsel for said respondents appeared

upon said hearing of said motion in Illinois and assented and  
 281 agreed with defendant's counsel that said decree of October  
 1, 1917, as to said patent No. 621,324 was in all respects  
 final decree, but said respondents' counsel then and there contended  
 that as such final decree it was no bar to said suit in said District  
 Court of Illinois. By stipulation between counsel of both parties,  
 said motion of the petitioner to dismiss said bill as to said patents  
 Nos. 621,324 and 635,280 in said Illinois case was postponed until  
 the determination of said respondents' motion and petition to vacate  
 said decree of January 7, 1918, in the Court below and of any  
 proceedings resulting therefrom in this Court.

Fifth. It was not until after said hearing of said motion in the  
 Illinois case that counsel for the petitioner undertook to assert, for  
 the first time, that the petitioner was entitled to any other or different  
 decree in this cause in the Court below than said decree of October  
 1, 1917, as to said patent No. 621,324. After the expiration of  
 said May, 1917, term and on December 31st, 1917, the petitioner by  
 its counsel gave notice to one of the counsel of said respondents, residing  
 at Chicago, Illinois, that the petitioner would move the Court  
 below to enter a certain decree purporting to finally dispose of all  
 the issues in this cause, such proposed final decree being the one  
 shown at pages 103 and 104 of the petitioner's Supplemental  
 Transcript of Record herein. Said motion came on for hearing  
 by the Court below on January 3rd, 1918, and local counsel for  
 said respondents attended said hearing, although only three days  
 notice of the same was given to the said respondents and then only  
 to its Chicago counsel. Said local counsel opposed the entry of said  
 decree and the court below, upon application of said local counsel,  
 gave said respondents' principal counsel, residing in Milwaukee,  
 282 kee, Wisconsin, time and opportunity for filing whatever brief  
 said counsel might deem necessary on behalf of said respondents  
 to oppose the motion of petitioner of January 3, 1918, for the  
 entry of such further decree herein. Said respondents' principal  
 counsel were notified of such proceedings and of such right to file  
 brief on the 7th day of January, 1918, and immediately commenced  
 the writing of a brief in opposition to said motion and endeavored  
 to get in touch with and obtain further advices from said Chicago  
 counsel and from respondents' said local counsel in Pittsburgh, but  
 that, owing to the fact that Pittsburgh, Milwaukee, Chicago, and  
 large part of the Middle West were then in the midst of a great storm  
 and blizzard and practically isolated, said respondents' principal  
 counsel were unable to get in touch with said associate counsel in  
 Chicago and in Pittsburgh by telephone or by telegraph, and  
 was not until late in the evening of January 5th, 1918, that said principal  
 counsel were able to get said local counsel in Pittsburgh on  
 the telephone, when they were advised that the Court below had, on  
 January 7th, 1918, entered said final decree, dated January 7, 1918,  
 and as prayed for by Petitioner. Said respondents' counsel had under-  
 stood that they had until the 10th day of January, 1918, in which  
 to prepare and file such brief in opposition to said decree.

Thereupon and on January 10, 1918, said respondents, for reasons and upon grounds shown in said Supplemental Transcript at pages 113 to 126, both inclusive, moved the Court below for a re-hearing and vacation of said final decree of January 7, 1918. Said motion was argued on January 24, 1918, and decided by the Court below by opinion filed February 11, 1918, and referred to in said Supplemental Transcript at pages 126 et seq. Thereupon, and in conformity with said opinion of February 11, 1918, said decree of January 7, 1918, was vacated and the final decree of March 11, 1918, shown on page 133 of said Supplemental Transcript of Record, was made, filed and entered in the Court below in said case, and to review and reverse which final decree of March 11, 1918, the petition of the petitioner is made and filed in this Court.

Sixth. The respondent, Allis-Chalmers Manufacturing Company, is a merely nominal party plaintiff herein and has not participated in said litigation save and except only to lend its name as party plaintiff, and that it is not interested in the event of this cause or in the results herein, and that the real party in interest is and at all times has been said respondent, Niels A. Christensen. The motion to dismiss the case in the Court below in February 1917 was made on the ground that, while in the opinion of counsel the said complaints had a good cause of action, respondent Christensen was without financial means and could not therefore proceed with the trial. By the answer in this case the petitioner did not seek an affirmative relief in the cause, and the same is true in respect of the answer in the Illinois case. The Court below, in the exercise of its sound, legal discretion, dismissed the bill and said dismissal was by this Court on said application of the petitioner for writ of certiorari or mandamus only reversed in respect of said patents Nos. 621,324 and 635,280, and then only because an issue of law appeared upon the face of the bill and the answer, and as to which, in the opinion of this Court, the petitioner was entitled to a decision. The financial status of the said respondent Christensen, as shown in the transcript of record filed in this Court with said petition of April 23rd, 1917, has ever since continued and still so continues, and at no time since February 1917 has said Christensen been financially able to proceed with the trial of said cause, and for that reason and that reason only no motion or application was ever made to the Court below to set aside said decree of October 1, 1917, as to said patent No. 621,324.

If the decree of January 7, 1918, had been or is permitted to stand, said respondents would have been or will be irreparably damaged and injured thereby.

Seventh. Said respondents are advised by counsel, verily believe, and charge the fact to be that upon the face of said petition filed herein April 1st, 1918, and said Supplement- Transcript of Record, it appears that this case upon said bill as to said patent No. 621,324 came on for hearing and trial before the Court below on October 1,

1917, precisely in the same manner as any case in equity would be tried in the said Court below. The Court below then and there had and lawfully possessed all the powers, rights and legal discretion it ever possessed as to this cause or as to any cause in equity before it, with the exception that this Court had held said patent No. 635,280, was invalid, and complying with which decision and mandate of this Court the Court below on October 1, 1917, duly entered a final decree dismissing said patent No. 635,280 accordingly. (See Supplemental Transcript, page 102). In the absence of said respondents and their counsel on October 1, 1917 in the Court below the petitioner had open and available all the remedies and procedure it ever had in said case as a party litigant in respect of said bill under said patent No. 621,324. Under said answer the petitioner could have moved, if it so desired, for dismissal of the bill as to said patent No. 621,324 for want of equity jurisdiction, and which said defense it urged upon this Court on June 15, 1917. It could have moved for a dismissal of said bill under said patent No. 621,324 without prejudice or for want of prosecution or insisted on proceeding to trial and then moved for a dismissal of said bill under said patent No. 621,324 and possibly secured a decree of dismissal on the merits. In lieu of any other remedy or course so open as aforesaid the petitioner and its counsel expressly moved for a dismissal of the bill under said patent No. 621,324 for want of prosecution, with costs to petitioner, and the Court below in the due and proper exercise of its sound legal discretion granted the petitioner's said motion and then and there entered an order and decree accordingly, dated October 1st, 1917, dismissing said bill as to said patent No. 621,324 for want of prosecution, with costs to said respondents, and effective at the end of the May 1917 term, if not set aside by the Court below for proper cause shown by said respondents. The petitioner did not except to said order or decree but acquiesced therein and thereafter filed its bill for costs in the Court below and undertook to tax such costs in said cause and then and there, as well as thereafter, considered, treated and expressly recognized said decree of October 1, 1917, dismissing said bill as to said patent No. 621,324 for want of prosecution, as a final decree and acted accordingly. Said decree of October 1, 1917, dismissing said patent No. 621,324, has never been modified or vacated in whole or in part by the Court below and the said respondents are advised by counsel, verily believe, and charge the fact to be, that the same now and ever since October 1, 1917, has been a final and conclusive decree herein in the Court below and was and is entirely within the power and sound legal discretion of the Court below to make and enter, and was and is fully authorized by the said opinion and mandate of this Court of July 3, 1917. Said respondents further advise that they are advised by counsel, verily believe, and charge the fact to be, that the petitioner, having so elected to have such a final position made of the case and said decree of October 1, 1917, as to said patent No. 621,324, made and entered upon its said motion, is now and has always since said date been fully bound thereby and is now and ever since October 1, 1917, has been estopped

from attacking or questioning said order and decree or further proceeding in said cause either in the Court below or in this Court. Said respondents further allege that they are advised by counsel, verily believe, and charge the fact to be that the Court below was wholly without jurisdiction to make and enter said decree of January 7, 1918, and which decree was and is wholly void.

Eighth. Said respondents further allege that they are advised by counsel, verily believe, and charge the fact to be, that upon the face of said petition of April 1, 1918, and said Supplemental Transcript of Record it appears that said decree of March 11, 1918, was made by the Court below wholly within its power, jurisdiction and legal discretion and is a final decree which is appealable and that in consequence the petitioner has a speedy, adequate, full and complete remedy by writ of error or appeal to this Court, either of which is its sole remedy herein.

Ninth. As a part of this answer, said respondents here repeat and renew the several objections made and filed herein by them on April 1, 1918, to the said petition of that date and the filing thereof herein, with like effect as if the said objections were herein set out in full.

Tenth. Said respondents further allege that they are advised by counsel, verily believe to be true, and charge the fact to be, that the petition of the petitioner of April 1, 1918, and the Supplemental Transcript filed therewith, are inaccurate and untrue in the following particulars:

287 (a) On page 2 of the petition it is stated:

"That said petition for certiorari was entertained and the question based on its merits by this Court on June 15, 1917."

When in truth and in fact the question as to whether certiorari would lie, while discussed, was not decided by this Court, but the question as to the validity of said patent No. 635,280 was upon agreement of counsel of both sides, heard and determined by this Court on June 15, 1917.

(b) That on page 2 of said petition it is stated:

"That this Court issued its mandate \* \* \* and gave directions as to the defenses that might be urged by your petitioner, and questions which might be passed upon in the trial of the case by the District Court on the first patent".

Whereas, in truth and in fact, this Court left available to the defendant every defense under its answer, and deprived the Court below of none of its powers, rights or legal discretion in respect of the bill under patent No. 621,324, neither did this Court attempt so to do.

(c) That on page 3 of said petition it is alleged:

"That thereupon the Court sent for plaintiffs' local counsel and, after questioning the sufficiency of the notice of trial to plaintiffs,

entered an order dismissing the bill of complaint as to the first patent for want of prosecution, with leave to the plaintiffs at any time during the pending (May) term to ask for a setting aside of the order if proper cause shown."

288       Whereas, in truth and in fact, said bill of complaint was dismissed at the cost of said respondents for want of prosecution by an order and decree of the Court below of that date made upon the petitioner's own motion and application, and not otherwise.

(d) On page 3 of said petition it is stated:

"That the period of grace having expired with the expiration of the May Term, your petitioner, upon notice to plaintiffs, made timely motion for the entry of a final decree disposing of all issues in the case, which motion was argued before his Honor, Judge Orr, on January 3, 1918, and was granted and the said final decree was entered by Judge Orr on January 7, 1918."

Whereas, in truth and in fact, the petitioner asked for and secured said decree of October 1, 1917, as to said patent No. 621,324, not treated and recognized the same as a final decree, and then and there and elsewhere treated, considered and recognized said decree of October 1, 1917, as a final decree disposing of all the remaining issues in the case, and not until said respondents' counsel in the Illinois case had shown that said decree, of October 1, 1917, as to said patent No. 621,324, while a final decree was not res adjudicata in the Illinois case did the petitioner by its said counsel ever take the position or assert or claim that said decree of October 1, 1917, as to said patent No. 621,324 was not a final decree so disposing of all said issues, or that the petitioner was entitled to the further decree of January 7, 1918, and that the decree of January 7, 1918, was an afterthought on the part of petitioner's counsel and an attempt on the part of said petitioner's counsel to reverse their election and action to have said bill as to said patent No. 621,324 dismissed on their own motion.

289       for want of prosecution on October 1, 1917, and said motion by the petitioner on January 3, 1918, was not argued by counsel for the said respondents. (See said Supplemental Transcript pages 106, 107 and 108.)

(e) On page 5 of said petition it is stated:

That his Honor, Judge Orr, entered the decree of January 7, 1918, in accordance with the spirit and intent of the mandate of this Court of July 3, 1917, which reinstated the bill as to said two patents and directed further proceedings in conformity with this Court's opinion which necessarily contemplated a trial, or in the absence thereof a decree which should terminate the litigation.

Whereas, in truth and in fact, the mandate of this Court of July 3, 1917, sent said bill under said patent No. 621,324 back to the Court below with every power, right and legal discretion which the Court

below ever had as to said bill under said patent No. 621,324, and as to any other case in equity ever pending before the Court below, and said decree of January 7, 1918, covered patents Nos. 680,842, 753,954, and 914,699, as to which patents the bill was dismissed without prejudice by the Court below by its order and decree of February 24, 1917, and as to which dismissal it was conceded in the proceedings in this Court of June 15, 1917, that such dismissal was a proper one, and that as to such patents the bill stood dismissed; and further, said decree of January 7, 1918, covered also patent No. 635,280, found invalid by the opinion of this Court and as to which, on October 1, 1917, the Court below entered a final decree adjudging and decreeing said patent was invalid and void in compliance with the 290 mandate of this Court, and which said final decree has never been vacated or set aside in whole or in part, and is now and ever since its entry has been in full force and effect.

And whereas, in truth and in fact, the sole purpose of said decree of January 7, 1918, was to secure, on the part of the petitioner, a reversal of the final decree of October 1, 1917, as to said patent No. 621,324 and the entry of a final decree dismissing the bill as to that patent on the merits contrary to the record, the election of the petitioner, its own motion, and to the unvacated order and decree of the Court below of October 1, 1917, as to said patent No. 621,324.

(f) In describing the proceedings in the Illinois case, on pages 9 and 10 of the petition, the plaintiff states:

"When the motion to vacate the decree of January 7th was made, Judge Kohlstant, at the request of plaintiffs' counsel, withheld the order of dismissal of the Chicago suit, which he stated he would grant in view of the decree of January 7th, to await the result of the motion to vacate the latter, and when Judge Orr granted the motion to vacate, defendant withdrew the motion to dismiss the Chicago suit pending the result of this petition."

Whereas, in truth and in fact, upon order of the said Illinois Court, based upon stipulation of both parties, the determination of the motion in said Illinois case was stayed and postponed until the final determination of the motion to vacate and set aside said decree of January 7, 1918, then pending in the Court below,

(g) That said Supplemental Transcript does not contain the order and decree of the Court below of October 1, 1917, as to said 291 patent No. 621,324 duly entered upon the equity docket and calendar of the Court below, and which is in words and figures, that is to say:

"Order of Court, Oct. 1st, 1917, Dismissed for want of prosecution."

(h) That said Supplemental Transcript does not contain the docket entries in the case, and that on page 129 of said Supplemental Transcript, in the fourth line from the bottom thereof, the word



"plaintiffs' " should be "defendant's" since the record shows and the fact is that the decree of October 1, 1917, dismissing said bill under said first patent for want of prosecution, was made by the defendant's own motion and application.

(i) That on page 99 of said printed transcript of record the fourth line from the bottom thereof, namely, "Notes of hearing, Oct. 1, 1917", is improperly inserted and included, is no part of the record of the Court below, but is a mere assertion on the part of counsel and an attempt to give the impression upon the record that such words are a part of the record of the Court below and of the order and decree of October 1, 1917, dismissing said bill under said patent No. 621,324 for want of prosecution, and is no part of the original record now in said Court below or of the certified copy of such record made by the clerk of the Court below under date of February 25, 1918, and now on file in this Court.

Wherefore said respondents respectfully submit that the said petition of the petitioner for writ of mandamus or writ of certiorari from this Court to the United States District Court for the Western District

of Pennsylvania should be in all things dismissed and denied  
292 with costs, and your said petitioners, as in honor bound, will ever pray, etc.

Dated, Philadelphia, Pennsylvania, April 6, 1918.

NIELS A. CHRISTENSEN AND  
ALLIS-CHALMERS MANUFACTURING COMPANY,

*Respondents Herein,*

By LINES, SPOONER & QUARLES,  
REED, SMITH, SHAW & BEAL,

*Solicitors for said Respondents.*

JOSEPH B. COTTON,  
WILLET M. SPOONER,  
WILLIAM R. RUMMLER,  
LOUIS QUARLES,

*Of Counsel for said Respondents.*

293 & 294 STATE OF WISCONSIN,  
*County of Milwaukee, ss:*

Niels A. Christensen, being first duly sworn, says he is one of the respondents in the above entitled cause; that he makes his verification herein on behalf of himself and on behalf of his co-respondent Allis-Chalmers Manufacturing Company, the corporation described in the foregoing answer; that he has read said foregoing answer and knows the contents thereof, and that the same is true of his own knowledge, except as to the matters therein alleged upon information and belief, and as to those matters he believes it to be true.

NIELS A. CHRISTENSEN.

Subscribed and sworn to before me, a Notary Public, in and for said County and State, this 8th day of April, A. D. 1918.

[SEAL.]

LEO MANN,

*Notary Public, Milwaukee County, Wis.*

My commission expires March 2, 1919.

295 In the United States Circuit Court of Appeals for the Third Circuit, March Term, 1918.

No. 2248.

WESTINGHOUSE TRACTION BRAKE Co., Petitioner,

vs.

CHARLES P. ORR, District Judge; NIELS A. CHRISTENSEN et al.

To the District Court of the United States for the Western District of Pennsylvania:

In Equity.

*Petition for Mandamus or Certiorari.*

Before Bullington, McPherson, and Woolley, Circuit Judges.

This controversy is a supplement to *Westinghouse Co. v. Christensen*, 243 Fed. 901, and will be better understood if we preface the following opinion with a brief summary of what was there decided.

In the court below the bill was filed in March 1916 by Christensen and the Allis-Chalmers Co., and (as amended) charged the Brake Co. with infringing 5 patents, 2 of them being Nos. 621,324 and 635,280, called herein the 1st and the 2d patents respectively, both being for the same invention. On Feb. 24, 1917, on the plaintiffs' motion the district court dismissed the bill "without prejudice." Contending that sufficient undisputed facts appeared by the bill and the answer to present the question which of these two patents was valid and that the district court should have decided this question, the Co. applied to this court for a writ of certiorari in order to obtain a decision on this point. On July 3 we decided it, reversing the decree "so far, and so far only, as it affects the two patents referred to" and reinstating the bill "for further proceedings in conformity with this opinion." Our decision was that the 2d patent was invalid and should be so adjudged, and that the cause should proceed upon the 1st patent alone, the Co. to be at liberty "to urge any defense that may be available under its answer, with the same effect as if the bill had been originally brought under the 1st patent." We did not determine what the subsequent course of the litigation should

296 be, but merely decided that the 1st patent alone should stand as the ground of the suit, leaving the parties to proceed thereafter as they might be advised. The question before us was not

whether the court below had erred in dismissing the bill "without prejudice," but whether that court should have decided the question of validity between the two patents, the point being concededly raised by the bill and the answer; and even this question (as our opinion shows) was submitted to us by agreement of counsel at bar. We did not determine that the writ of certiorari was a proper method of procedure; the objection was argued but was waived, and counsel agreed that we should decide which patent was valid. We passed upon nothing else, and it is a mistake to suppose that we directed the District Court to try the case on the merits. Of necessity, we were obliged to reverse the decree, in order to decide which patent was valid, and (having decided it) we then sent the case back for further proceedings, but we did not even intimate what course the proceedings should take, but left that subject to be determined below in the usual manner.

On Aug. 3 the mandate issued, and on Sept. 3 the district court fixed October 1 as the date of trial. On that day the Co. appeared with its counsel, exhibits, and witnesses, but the plaintiffs made no attempt to proceed, and did not appear, except by local counsel, who formally represented them in obedience to a rule of the western district. Thereupon the Co. moved that the bill be dismissed for want of prosecution, so far as the first patent was concerned, and although the plaintiffs objected the court granted the motion. The clerk has certified (apparently from the minutes) that the court then declared the 2d patent to have been issued without warrant of law, and adjudged it to be invalid, entering also a formal decree to this effect. At the same time the minutes show that the following ruling was made as to the 1st patent—

"With respect to Patent No. 621,324, the defendant appearing by its counsel, and the plaintiffs not appearing by counsel representing them, except by the local counsel required under the rules to be associated with foreign counsel, and motion having been made by the defendant that the bill be dismissed for want of prosecution, that motion must be sustained; but, it not appearing that the principal counsel for the plaintiffs have had actual notice of the time fixed for the final hearing in this case, and it being questionable

297 whether or not local counsel had actual notice thereof, this Court, over objections by Mr. Frazer who has been the local associate of the plaintiffs' principal counsel, does now dismiss this bill for want of prosecution, with leave to the plaintiffs at any time during the pending term to ask for a setting-aside of this decree for proper cause shown."

So far as appears, no formal decree was entered in pursuance of this ruling, but on the same date the following entry was made in the docket: "Order entered on Equity Calendar;—'Oct. 1, 1917, dismissed for want of prosecution'." We think nothing else was required; the order, or ruling, or decree (whatever name may be given it) is found in the clerk's minutes, which are kept as part of his official duty, and is certified by him "from the record." The Co. has never denied that it correctly states what took place, and the record shows therefore that the District Court finally disposed of the case

on October 1, and by an act that was intended to take effect in praesenti dismissed the bill for want of prosecution, thereby sustaining the Co.'s request that such action should then be had. But, being in doubt whether the plaintiff's principal counsel had actually known the date of trial, the court out of abundant caution added—"with leave to the plaintiffs at any time during the pending term to ask for a setting aside of this decree for proper cause shown." This clause was unobjectionable, although it was superfluous; the plaintiffs would have had the same right during the term, even if no leave had been formally given. The term lasted until Nov. 11, but the plaintiffs did not move to set aside, and the Co. was evidently satisfied with the court's decision, for no motion was made to correct it. Therefore, when the new term began on Nov. 12, the order of Oct. 1—"this decree," as the court described it—continued without change, and in our opinion no further and purely formal order was needed. No doubt, such an order might have been entered, but it would have made no important change in what already appeared on the record, and there was no necessity to use again the same or similar language. The order of Oct. 1 was not a direction that a decree should be entered in the future, but was an order expressly directed to take effect on that very day, with formal authority reserved to set it aside, if cause should be shown.

298 But, in any event, the order or decree became final at the end of the term, and the Co. so understood it, as appears from the motion it presented to the United States District Court in Chicago on December 7, where a similar suit on the same two patents was pending between the same parties. By that motion the Co. asked the Chicago court to dismiss the bill as to these patents on the ground that the Pittsburgh court had adjudged the 2d patent invalid, and had dismissed the bill as to the 1st patent "for lack of prosecution"; averring further, that the "decree for dismissal" as to the 1st patent had been coupled with leave to move for setting it aside during the term, and that the plaintiffs had made no such motion, and "therefore the decree became absolute on the expiration of the term." We are not advised by the record before us what action the court took in Chicago, but apparently no order was entered and the motion seems to be still under advisement. At all events, on Jan. 3, 1918, the Brake Co. turned once more to Pittsburgh, and moved there that a new decree should be entered, and on Jan. 7 obtained such a decree by which the bill was again dismissed as to 3 of the 5 patents—altho as to these the decree of Feb. 24, 1917, had never been attacked—and was not dismissed "on the merits" as to the 1st and 2d patents.

This was an unusual step, and was taken under a misapprehension, as appears from the following unreported opinion of Judge Orr: "An application has been made on the part of the plaintiff to vacate a decree entered in this court on the seventh day of January, 1918. The application was made on January 10th. Notice was given to counsel for the plaintiffs on the 31st of December, 1917, that application was made by the defendant to have a decree entered on January 3rd, 1918, and a form of such decree accompanied said notice. The application was made by the defendant at the time

fixed and the matter was held until the 7th of January, when the decree was entered. The plaintiff's counsel in the affidavit in support of their present motion, present<sup>a</sup> a sufficient excuse for not being present at the time fixed in the notice served upon them, to wit, that storm conditions were of such a character that they were unable to give the matter the attention which it deserves. A brief statement of some of the features of this litigation may be proper.

"The case being ready for trial near the close of 1916, was set for trial early in the year of 1917. Prior to the time fixed  
299 for trial, this Court permitted the defendant to have its bill dismissed, and entered a decree to that effect, imposing certain terms. The decree of this Court was subsequently reversed by the Circuit Court of Appeals with respect to certain of the patents involved, and the bill was reinstated for further proceedings with respect to said patents, in conformity with the opinion of the Circuit Court of Appeals. Again the case was on the trial list in this court and fixed for trial on October 1, 1917. On that day the plaintiffs failed to appear, and thereupon counsel for the defendant presented to the Court a form of decree which conformed with the mandate of the Circuit Court of Appeals which disposed of subject matter of the controversy between the parties, excepting the rights of plaintiffs under patent No. 621,324. In the absence of the plaintiffs when the case was called for trial, the solicitors for the defendant moved the Court that the bill be dismissed at the cost of the plaintiffs, for want of prosecution, and thereupon the court made the following ruling:

"With respect to Patent No. 621,324 the defendant appearing, by its counsel, and the plaintiffs not appearing by counsel representing them, except by the local counsel required under the rules to be associated with foreign counsel, and motion having been made by the defendant that the bill be dismissed for want of prosecution, that motion must be sustained; but it not appearing that the principal counsel for the plaintiff have had actual notice of the time fixed for the final hearing in this case, and it being questionable whether or not local counsel had actual notice thereof, this court, over objection by Mr. Frazer, who has been the local associate of the plaintiffs principal counsel, does now dismiss the bill, for want of prosecution with leave to the plaintiff at any time during the pending term to ask for a setting aside of this decree for proper cause shown."

"To that ruling the defendant did not except. It may be noticed also that the defendant did not offer any testimony which would throw any light upon the merits of the controversy then existing between the parties. The term expired without anything being done on behalf of the plaintiffs or by the defendant. Subsequently  
on January 3, 1918, as aforesaid, the defendant presented the  
300 following decree, which this court signed on the 3rd day of

January, as above stated:

"This cause having come on to be heard, upon consideration thereof, it was Ordered, Adjudged, and Decreed as follows, viz.:

"That as to Patents Nos. 680,842, 753,954 and 914,699, the bill is dismissed without prejudice to the rights of the plaintiffs or either of them, provided, however, that all depositions heretofore taken

herein may be used in any pending or subsequent litigation between plaintiffs and defendant, or their privies;

"That as to patents Nos. 621,324, and 635,280, the bill of complaint is dismissed on the merits;

"And that defendant do recover its costs to be taxed under the direction of the clerk and have judgment and execution therefor against the plaintiffs.

"Pittsburgh, January 7, 1918."

"That decree is not in conformity with the facts, inasmuch as it states that as to patents Nos. 621,324 and 635,280 the bill of complaint is dismissed on the merits. The merits of the controversy were not considered by the Court. By the use of the expression, 'merits of the controversy,' is not meant the relative rights—moral, ethical or pecuniary—between the parties, but merely the 'subject-matter of the litigation.' The subject matter of the litigation as a matter of fact was not considered by the Court at the time such decree was entered, and in that respect the decree was contrary to the fact. What operated upon the mind of the Judge who entered the decree of the Court was the insistence by the defendant's counsel in the language quoted: 'That the plaintiff should not be allowed to obtain by indirection that which he was not permitted to obtain by direction.' In explanation of that, it was urged that because of the reversal by the Court of Appeals of the decree dismissing the bill at plaintiffs' own instance, that therefore, the plaintiffs, by staying away from the trial, ought not to be able to effect a dismissal of their bill for want of prosecution. The real effect of the words 'upon the merits' in the decree were not seriously considered as they should have been had the principal counsel for the plaintiffs been present.

"A number of questions are raised in this motion which are unnecessary to be considered, the chief of which is whether the order entered at the trial was such a decree as should not be changed 301 after the term at which it is entered. The real reason for setting aside the decree or order of January 7, 1918, is because it is contrary to the fact in stating that the bill as to Patent No. 621,324 was dismissed upon the merits. In so far as that appears in the decree the same must be set aside. No other decree ought to be entered than that in accordance with the proceeding had on October 1, 1917, upon plaintiffs' own motion to dismiss the bill for want of prosecution. In the absence of some evidence or other showing which could have been offered to enable the Court to determine the case with respect to the subject-matter of the litigation, an order must be entered, vacating the decree entered in this cause on the 7th of January, 1918."

Three days later, on Jan. 10, the matter was again brought to Judge Orr's attention by the plaintiff's motion to vacate the decree of Jan. 7; and this motion was granted on Feb. 11 (when the foregoing opinion was filed) and was followed on March 11, by the entry of a new decree again dismissing the bill as to the 1st patent for want of prosecution. Thereupon the petition now before us was filed, praying for a mandamus to reinstate the decree of Jan. 7, or (in the alternative) for a certiorari to bring up the record in order



that the Court of Appeals might "fully review the matter set up in this petition, to wit, the setting aside of the decree of Jan. 7, 1918." The Co.'s grievance is the decree of March 11, and the ground of attack is, because it substitutes a dismissal "for want of prosecution" for a dismissal "on the merits."

The facts recounted show a situation that has come to abound in decrees, but the substance of things is plain enough. Three of the 5 patents were taken out of the case by the decree of Feb. 24, 1917, which left only the 1st and 2d patents as the subject of dispute. The contest between these was decided by this court on July 3, and thereafter the 2d patent also was removed. Only the 1st patent was left, and as to this the bill was reinstated, the result being, that (except for our decision) the litigation on this patent was just where it was before the bill was dismissed in the preceding February. Some of the testimony concerning the 1st patent had already been taken by deposition, and apparently the parties were about to reach a trial on the merits. At all events, a date had been set for the hearing and the defendant was on hand ready to proceed. But the plaintiffs

302 did not offer to go on, and being therefore in default were bound to accept the consequences. We are not called upon to determine what courses were open to the Co.; it is enough to take note of the course that was actually followed, namely, an election to have the bill dismissed "for want of prosecution." The Co. made a motion to this effect, and the court granted it, entering an order at once which declared that the Court "does now dismiss this bill for want of prosecution." In our opinion the order then entered was a final decree; nothing more than it contained was needed to make it complete, and the Co., having obtained precisely what it asked for, is bound by the course it chose: *Davis vs. Wakelee*, 156 U. S. 680. We are not deciding what effect this decree of Oct. 1 should have in any other proceeding; no such question is now presented, and we volunteer no opinion on that subject; we dispose of the pending controversy by holding that the Co. cannot now complain of a decree that was entered in exact accordance with its own motion.

The plaintiffs object to the pending petition on several other grounds, which we state in order that they may not seem to have been overlooked, namely: (1) that we have no authority to issue either of the writs prayed for, because neither is asked for in aid of our appellate jurisdiction; (2) that the exclusive remedy is an appeal from the decree of Mar. 11; and (3) that under the circumstances the decree of Oct. 1 could not be disturbed after the term expired on Nov. 11, 1917. As to these objections, we shall only say, in order to clear up the situation as far as possible, that the district court was right on March 11 in vacating the decree of Jan. 7, but that no occasion then existed for entering a decree again dismissing the bill as to the 1st patent. The decree of Oct. 1 had been in force from its date, and no additional order was necessary; and, whatever the scope of that decree may be, the Co. could not attack it after having obtained it precisely as it stands.

The petition for a mandamus, or for a certiorari, is refused.



303 In the United States Circuit Court of Appeals for the Third Circuit, March Term, 1918.

No. 2248 (List No. 47).

WESTINGHOUSE TRACTION BRAKE COMPANY, Petitioner,

VS.

CHARLES P. ORR, District Judge; NIELS A. CHRISTENSEN et al.,  
Respondents.

Appeal from the District Court of the United States for the Eastern District of Pennsylvania.

This cause came on to be heard on petition for writ of mandamus or certiorari and transcript of record from the District Court of the United States for the Eastern District of Pennsylvania, and was argued by counsel.

On consideration whereof, it is now here ordered, adjudged and decreed by this Court, that the petition for writ of mandamus or certiorari to the said District Court in this cause be, and the same is hereby refused, with costs.

Philadelphia, June 3, 1918.

JOHN B. McPHERSON,  
*Circuit Judge.*

Endorsements: No. 2248. Order Refusing Petition for Mandamus, etc. Received and Filed June 3, 1918. Saunders Lewis, Jr., Clerk.

304 UNITED STATES OF AMERICA,  
*Eastern District of Pennsylvania,*  
*Third Judicial Circuit, act:*

I, Saunders Lewis, Jr., Clerk of the United States Circuit Court of Appeals, for the Third Circuit, do hereby certify the foregoing to be a true and faithful copy of the original order refusing petition for mandamus, etc., on file, and now remaining among the records of the said Court, in my office.

In testimony whereof, I have hereunto subscribed my name and affixed the seal of the said Court, at Philadelphia, this 24th day of September, in the year of our Lord one thousand nine hundred and eighteen, and of the Independence of the United States the one hundred and forty-three.

[SEAL.]

SAUNDERS LEWIS, JR.,  
*Clerk of the U. S. Circuit Court of*  
*Appeals, Third Circuit.*

(Filed July 26, 1918.)

United States District Court, Eastern District of Wisconsin.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS COMPANY, Plaintiffs,

VS.

NATIONAL BRAKE &amp; ELECTRIC COMPANY, Defendant.

This case is now before the Court upon the defendant's motion to dismiss. The plaintiffs had a decree sustaining the patent, finding infringement and awarding an accounting, the decree being affirmed by the Court of Appeals. The accounting before the Master proceeded and has been pending for something like two years. The motion is based upon a judgment and decree of the District Court of the United States at Pittsburgh, and of the Court of Appeals for the Third Circuit in an action brought by the present plaintiffs against the Westinghouse Traction Brake Company; and an understanding of the contentions of the parties upon this motion necessitates review of the present litigation and a statement of the facts pertaining to the Pittsburgh case.

### The Present Litigation.

The suit was commenced by the plaintiffs against the above defendant December 17, 1906. The Bill was based upon Patent number 635,280. Defendant answered, setting up the invalidity of the Patent because of the issue to plaintiff Christensen of Letters Patent 623,324. Plaintiffs, by amendment, set up both patents, claiming either the one or the other to be good, and it was stipulated that defendant had notice of the issuance of Patent number 635,280, as early as March 1906.

Certain facts pertaining to the issue of the two patents were and are uncontroverted, viz: That after the issue of Patent number 623,324, March 21, 1899, plaintiff Christensen having noted that among the drawings were two fugitive sheets, returned the Letters Patent to the Commissioner with a letter refusing to accept them and requesting that they be cancelled and new letters issued conformable with the record of the case in the Patent Office. The Commissioner complied with the request, cancelled the Letters Patent and directed new Letters Patent in proper form to be issued. Thereupon Letters Patent Numbered 635,280, dated October 1899, were issued to Christensen. They were identical with the prior Patent except that the fugitive sheets were omitted and that on its face it ran for seventeen years from the new date. The documents are known in the case as the First Patent and the Second Patent.

The plaintiff contended throughout the litigation that it was no moment which of the two paper documents was held to be valid, that one or the other or both evidence the grant of a monopoly.

Christensen covering the invention described in each. This view was adopted both in the trial and the appellate court, the decree in the former being entered August 21, 1914, and an opinion of affirmance in the latter Court, October 5, 1915. The United States Supreme Court refused to issue the certiorari February 21, 1916. Upon return of the mandate the accounting before the Master proceeded and is still pending.

### The Westinghouse Traction Brake Company Litigation.

The plaintiffs commenced a suit against the Westinghouse Traction Brake Company in the United States District Court for the Western District of Pennsylvania, on March 11, 1916. The Bill was identical with the amended Bill in the present suit. After the case had been pending nearly a year, namely, on February 24, 1917, plaintiff Christensen asked and obtained leave to dismiss the suit, without prejudice, and an order to that effect was entered. On April 23rd following the defendant Westinghouse Traction Brake Company made a motion in the Court of Appeals for the Third Circuit based, in substance, upon these facts: That the Brake Company was charged with infringing three Letters Patent, two of which covered identically the same invention, both having been granted to Christensen a few months apart—and averring the facts above narrated in connection with the history of the Wisconsin litigation. The petition or motion further claimed that the question of validity between the two patents has become important because the Bill also avers that the plaintiffs' machines were marked under the Second Patent, but contains no such averment as to marking under the First Patent—this being a matter that affects the accounting, if the first patent should be adjudged valid over the second; that both patents have expired although if the first patent continued to be in force it did not expire until several days after the Bill was  
307 filed; that as no injunction can now issue under either patent, the Bill presents only a question of recovery and accounting; that whichever patent be valid over the other, the District Court (in Pittsburgh) had, in the pleadings, all the facts needed for a decision of this question on the merits, the Bill submitting the question as an issue to be determined by the Court and praying for an injunction alternatively under the First or the Second Patent. The Traction Company also averred upon such motion that its answer not only set up a number of prior patents and prior uses, but pleads specially that the Second Patent was invalid by reason of the prior issue of the First:

The following further statement of the position of the parties appears from the reported case:

"That both parties took testimony *de bene esse* and filed the depositions in Court; the plaintiffs taking the testimony of ten witnesses, offering in connection therewith a number of exhibits, and introducing also a stipulation which in substance restates the facts set up in the Bill and Answer regarding the relation between the two patents. That afterwards the plaintiffs by amendment

added two other patents to their Bill and that to these an amended answer set up the defenses of laches, failure of marking and of notice, non-infringement, and lack of validity. That the defendant asked leave to amend its answer further, so as to set up as a counterclaim a certain infringement by the plaintiffs, but that this motion was denied. 235 Fed. 898. That on March 13, 1916, the plaintiff brought a similar suit against the petitioner in Chicago, based upon the same three patents originally set up in the present suit, and that the defendant filed an answer to the Chicago suit, since which time nothing has been done therein, the plaintiffs electing to proceed in the Pittsburgh action. That the case in Pittsburgh was put down for trial and was called in November, 1916, being finally fixed for trial on January 22nd. That on January 20 the plaintiffs were granted a postponement until February 13, although the petitioners (the Brake Company) with its counsel and witnesses, was then prepared to proceed. That the petitioner made ready again for trial fixed for February 13, but that a day or two before that date the plaintiffs gave notice of a motion for leave to dismiss the Bill without prejudice. That the petitioner opposed the motion on the ground that the granting thereof would deprive it of substantial rights, and that before the motion for leave to dismiss was decided, the petitioner moved for judgment upon its pleadings and proofs already filed as to the three patents originally contained in the Bill, alleging that all the facts necessary to judgment concerning the first two patents at least, were already in the Bill and Answer, so that nothing else was needed as to them, except a decision upon the legal points involved. That affidavits and briefs were filed in support of the motions and in opposition thereto, and that argument was had, after which the dismissal was allowed on the conditions already stated; but that the petitioner's motion for judgment was denied on the ground that the case had not come for trial, and that the stipulations of counsel and the exhibits were not in evidence, the Court saying at this time: 'If it were a question determinable upon reading the Bill and Answer, the ruling the Court might be different.' That the petitioner thereupon moved for a rehearing of its motion for judgment as to the first two patents, insisting that such motion was determinable upon the Bill and Answer, and that the petitioner was therefore entitled to have the case decided in order to end the litigation. That the District Court declined to pass upon the motion for rehearing on the ground that the case was no longer before the Court. The petitioner alleges that the action of the District Court in allowing the plaintiffs to dismiss, and in declining to pass upon the motion for a rehearing, deprived it of rights to which it was entitled under the law and the equity rules, especially under Rule 69, and moreover that such action deprived it of its right of appeal. The petitioner therefore prays for a writ of certiorari to bring up the record to the Court of Appeals, in order that the matters set up in the petition may be reviewed, or, in the alternative, for a mandamus directing the District Court to try and determine the issues raised by the Bill and Answer with respect to the first two patents."

See 243 Fed. Rep., pp. 902, 903.

The Court, after stating the case as above, and after quoting from the Memorandum filed in this Court, from the decision of the Court of Appeals for the Seventh Circuit (229 Fed. 564), in both of which the view was expressed that it was of no moment "which of the two patents be held to be in force," proceeds:

"We think it clear that the question now presented was not directly decided in the Seventh Circuit. As the suit there was begun in December, 1906, when both patents were only between seven and eight years old, the question which patent was in force was 'academic.' One or the other was valid, and as the invention was identical, the infringer was not harmed by being enjoined under one rather than the other. In point of fact the injunction was under the second patent and this is the decree that was affirmed, although the opinion of the Court of Appeals may be thought to lean toward the view that the first patent continued to be in force and that the second patent had been erroneously granted."

It may be well at this point to recur to the views entertained by this Court upon the original hearing. The real question was conceived to be, whether Christensen had obtained a monopoly grant from the Government, no matter how evidenced, provided only the evidence, such as it was, should, in the aggregate, show a compliance with the Patent Laws. And the effect of the decision was and is this: That Christensen obtained a patent from the Government, that the grant could not be invalidated because of the incorporation in the so-called first patent of the fugitive sheets, nor by the mistake of renumbering the second and giving to the patentee, nominally, at least, an excessive term of monopoly. As I view it, independently of the asserted conflict which has arisen between the Seventh and the Third Circuits, this Court is not only at liberty, but in justice to the plaintiff, Christensen, it is bound to interpret the interlocutory decree from which the appeal was taken, in the light of and conformably with, the undisputed facts upon which the Court held that Christensen had obtained a valid patent from the Government. Now, in view of the extended statement above quoted from the Westinghouse opinion, we are at once brought to a consideration of the question respecting which, if the decree of this Court be properly interpreted, it must be said that there is a real conflict between the two circuits in the two cases. In the Westinghouse case, after quoting the views expressed by this and by the Appellate Court of this Circuit, and after expressing its concurrence in the notion that the question which patent was in force was "academic," the opinion proceeds:

"But while it might be regarded as a matter of indifference under which patent an injunction should be issued, the situation is changed when the question of accounting is presented. The two patents have different dates of expiration and the question of marking is also to be considered. We are, therefore, required now to decide between the two, for confessedly both cannot be valid, and in our opinion the decision should be in favor of the first patent."

The Court, after considering the possibility of Christensen's having applied for a correction of the error in the first patent under rule 170 of the Patent Office, and also in a certain contingency of applying for reissue, and after saying that the patentee, instead of pursuing either course, asked and obtained "a summary and irregular correction of the mistake," adds:

"Now, if the Commissioner had merely omitted the sheet of drawing and had given to the second patent the same date of expiration as the first, no possible harm could have been done, and his action might, perhaps, have been regarded as taken within the general scope of Rule 170, although it did not exactly comply with the requirements of that rule. But when he undertook to fix a new date of expiration, thus prolonging the life of the patent, he did what he had no lawful right to do. The second patent was not a reissue for it did not conform to Section 4916, and it was not confined to correcting a mistake under Rule 170, if it went beyond the mistake and modified the first patent in a vital particular, namely, in its date of expiration. Therefore, as the Commissioner had no warrant in the law for what he did \* \* \* we see no escape from the conclusion that the second patent was invalid, and must now be so adjudged."

It thus appears that the Court of Appeals for the Third Circuit aimed to pass upon a question respecting the validity of issuance—as an administrative act—of the Second Patent as a document evidencing right or title, in view of the previous issuance of the First

Patent as a document evidencing right or title, with respect to an identical subject-matter, namely, Christensen's invention of a combined pump and motor. And although the opinion on its face shows the doubt entertained by all respecting the reviewability of the question which was, in fact, decided, it appears clearly that Court did not profess to decide the case proffered in the Bill, for the opinion concludes:

"To avoid misunderstanding and, if possible, to prevent further controversy on several points, we may add that the petitioner is the Brake Company, which is now alleged to be in privity with the herein defendant) is at liberty to urge any defense it may be available under its answer, with the same effect as if the Bill had been originally brought under the First Patent. In these matters we decide nothing, and we express no opinion upon the question (1) Whether, in view of the date when the Bill was filed, the remedy in question was open to the plaintiffs; or upon the question (2) To what extent the petitioner is liable to account in this case the equitable remedy be adjudged to have been available, and the petitioner be found to have infringed."

The mandate of the Court was:

"The decree of dismissal is, therefore, reversed so far, and so only, as it affects the two patents referred to, and the Bill is remanded for further proceedings in conformity with this opinion."

What has just been observed is further clearly indicated by the proceedings which in fact took place subsequently, in the District Court. On October 1, 1917, conformably to the mandate, a decree was entered in the District Court dismissing the Bill "as to said Patent Number 635,280," the decree reciting further that such patent "was invalid, having been issued without warrant of law." But jurisdiction of the Bill, in so far as it was based upon the First Patent, was retained until the plaintiff chose voluntarily to dismiss it. It is significant that both the Trial Court and, thereafter, the Court of Appeals upon a renewed application for certiorari, declined to treat its ruling *supra*, as having in the slightest respect passed upon such First Patent or the rights of Christensen thereunder. Each Court clearly and unmistakably expressed itself as having in no way passed upon the merits of the Bill in so far as it was based upon the First Patent. These references are pertinent in considering:

312 1. The substance and real effect of the decree entered in this District and affirmed by the Court of Appeals of the Seventh Circuit.

2. The substance and legal effect of the decree rendered by the District Court at Pittsburgh, obediently to the ruling of the Court of Appeals for the Third Circuit.

In other words, the present motion is concededly without merit unless the defendant can establish the entry of a decree which, not as to form, but in legal effect, disposed of issues tendered in this Court and decided in the other Circuit, so as to have a binding and superseding operation over the decree rendered in this Circuit.

The defendant rests its contention wholly upon *Hart Steel Co. vs. Railroad Supply Co.*, 244 U. S. 294. That is to say, it is asserted that the decree of this Court adjudging the validity of Patent Number 635,280—affirmed by the Court of Appeals—was interlocutory only; that at Pittsburgh plaintiffs sued the Brake Company—alleged to be in rivalry with the herein defendant—and in the Bill there tendered the same issues for determination; that the Pittsburgh suit ripened into a final decree of dismissal of the Bill as to the Patent here held valid; therefore, such final decree supersedes the interlocutory decree rendered in this Court, whereupon the present motion is not only entertainable, but must be granted.

It is my judgment that the motion cannot prevail for a number of reasons, the principal being that the assumptions of fact respecting the situation in the two Courts are not warranted. This statement is predicated upon the notion that, in seeking to determine what was done in each of the Courts, it is necessary to quite an extent to disregard the form and verbiage of opinions and decrees, to the end that identity of or conflict in matters of substance may be ascertained.

Fundamentally, I do not believe that the District or Appellate Courts in the Third Circuit ever had committed to them for determination the controversy or the issue which, in point of legal substance, was tendered by either Bill. The controversy was not, which



of the two paper documents is valid, treating such inquiry as identical with the inquiry, did Christensen get and does he hold a valid patent on a combined pump and motor. I may say, preliminarily, that

when the substance of things is considered, there was no reason why the interlocutory decree entered by this Court should have categorically answered the question, whether Patent Number 635,280 is a valid patent. My own judgment is that the Bill did not tender that issue, though the issue which was in fact tendered upon the allegations, involved, obviously, conflicting contentions respecting the probative force of that patent or of the earlier patent—its evidentiary effect in supporting the broad claim of the Bill that Christensen obtained a valid grant. It cannot be gainsaid, that, had the decree of this Court recited the ultimate facts relative to the issuance of the two paper documents, and then adjudged that the grant evidenced by the identical claims of the two was valid and infringed, the decree would have been an entirely proper one, and, certainly, more in consonance with the Bill and the record in the case. Now, while the Bill in the Third Circuit tendered the same issue, the Court of Appeals, in the manner indicated, took up and disposed of the question respecting the merits of the Second Patent, but not as determining the real issue presented by the Bill, namely, whether Christensen had a valid grant of a patent monopoly, but whether the Second Patent afforded competent legal proof thereof. The problem, which of the two paper documents was legally issued by the patent office so as to constitute the true evidence of the grant—no matter how debatable or open to controversy, or how difficult of solution—was none the less to be solved—the concession, for the time being, in each case, that one or the other was validly issued, or that, in any event, the transactions pertaining to both, furnished in the aggregate, adequate evidence of a grant or, of a patent, from the Government. It, therefore, seems wholly illogical to say that upon such a comparison of the two records the Courts of the Third Circuit entered a final decree upon the controversy or upon the issue tendered by the Bill.

Really, the question presented to the Court of Appeals of the Third Circuit was and is no different than the question which, in view of the elaborate allegations of the Bill, would arise in a trial upon the merits, if and when the Second Patent were offered in evidence; or such as might clearly have been presented upon a motion to expunge from the Bill the allegations respecting the surrender and cancellation of the First and the issuance of the Second Patent; or, upon a motion to compel complainant to make the Bill definite and certain by alleging one or the other patent as the true source of the patentee's right.

Take another view of the case: Suppose, in the District Court at Pittsburgh the plaintiffs, instead of voluntarily dismissing, had proceeded with the trial and had obtained a decree adjudging the First Patent valid and infringed. Clearly, as indicated, the Court of Appeals intended to leave the way open for that very thing to happen. Now, while it is true that the decree in form would probably have adjudged the earlier patent, bearing the

earlier number, to be valid, its legal effect would not have been variant from the decree rendered in this District, except in point of form, and excepting, also, that the decree thus far rendered in this Court has not determined that Patent Number 635,280 is effective on behalf of Christensen for the full term of seventeen years. This is said, not in view of the terms of the decree—from which it might be otherwise inferred—but from the nature of the controversy, which had developed up to the time this Court rendered its decision. It was certainly contemplated, both here and in the Court of Appeals for this Circuit, that if the Second Patent were held valid, its effective term might and probably should, in a Court of Equity, be limited to seventeen years from the date of the First Patent. If this be true, and the decree of this Court be susceptible of such interpretation and effect, then there is not the slightest difference between the two patents, excepting the presence of the fugitive sheets in the First. Therefore, it is again said that if the District Court in the Third Circuit had proceeded with the case as it was left upon the Bill after the decision of the Court of Appeals, a final decree might then have resulted which in every respect is and would be as identical with the decree in the present case, as both patents are identical, namely, in covering the monopoly grant embodying the identical claims and specifications of the two paper documents. In other words, the decree of the District Court, at Pittsburgh, although stating in express words that the Bill be dismissed as to Patent 635,280, because it was invalid, and issued without warrant of law, is in no just sense a final decree disposing of the controversy tendered. It did not and does not determine that Christensen received no valid patent or that defendant did not and does not infringe—that was, and is, the fundamental subject matter of controversy arising upon the bills in both circuits. And the decree in the Third Circuit goes no farther than to adjudge that if Christensen had a patent, it was not evidenced by "patent number 635,280"—leaving open for possible future determination that patent number 621,324—identical therewith except in respect of its term and the fugitive sheets—  
315 was and is valid and the true evidence of Christensen's rights.

Therefore, as has been indicated, while the Courts of the Third Circuit in a sense, awarded a decree involving the Second Patent, which in form and in substance may be said to be final: that is to say, the question having been presented in the manner indicated, the Appellate Court considered and determined it and it has said all that it cares to say on the subject; but, such Courts have not said it in the trial and final determination of the case which, as observed, tendered an issue or a controversy respecting the existence or scope of Christensen's patent monopoly rights. That, after all, is the fundamental inquiry in any situation where it is sought to invoke a doctrine of estoppel or res adjudicata. I cannot escape the conviction that, after all, the Court of Appeals for the Third Circuit said nothing more than this: That, in the controversy tendered by the Bill, the Second Patent cannot be given a probative force which will sustain the Bill as one seeking to enforce Christensen's rights as a

patentee. It was and is a negative determination of a question which may be reconciled—if we look at the substance of things—with the decree and record in the Seventh Circuit. Of course, if appearances alone are considered, it may be said, that the Second Patent was held valid in the Seventh and invalid in the Third Circuit. But in no respect does the record in the Third Circuit disclose a situation analogous to that of a patentee in a single bill, suing on two patents, claiming separate and distinct rights upon each. The Bills in each circuit presented what might be considered either as mere matters of evidence, or allegations in the alternative made in anticipation of probable defenses against each patent in case either one alone was relied upon as the foundation; or, as set up by way of amendment to meet the defense actually originally interposed in the Seventh Circuit. Plainly, the situation was and is no different than the ordinary case where a litigant, being dependent upon a succession or a multiplicity of transactions which, in the alternative or in the aggregate, furnish the foundation for the legal right or liability which he seeks to enforce, sets them all up in pleading the facts, though perhaps also, the evidence.

In thus comparing and considering the situations in the two Circuits, in the manner indicated, we reach a conclusion in conformity with the situation of the parties at the present time. Indeed the desire, if not the persistence of the defendant, in the Third Circuit litigation, to obtain a decree in that circuit upon the merits, not only of the Second Patent but of the Bill, all of which appears from the record and is frankly conceded in the argument here, discloses a rather clear and precise appreciation on the part of counsel of the exact shortcomings of the proceedings in the Third Circuit. It shows, that, notwithstanding the ruling of the Court of Appeals, the defendant in that litigation obtained a decree on the merits of little, if anything.

The matter may be thus stated, or, more properly speaking, restated:

1. The Courts of the Seventh Circuit, upon a Bill averring the issuance of the First and Second Patents, held that Christensen obtained a valid patent; and, in form decreed the Second Patent valid but upon a record showing the identity of the two except in particulars not material in the then status of the case.

2. The Courts of the Third Circuit, upon an identical bill, but without determining that Christensen obtained a valid patent, in form, decreed a dismissal of the Bill as to the Second Patent and upon a record likewise showing identity of the two patents, except in certain particulars. Such Courts did so upon a conclusion that notwithstanding identity of subject matter of invention, the Patent Office was without warrant of law to issue the Second Patent as document evidencing the grant.

I, therefore, have no hesitation in concluding that the situation in the two circuits were and are such as cannot bind this Court respect the ruling in the Third Circuit as effective to annul the

ceedings still pending here, and, in effect, to overthrow the adjudication here made in Christensen's favor. If the Courts in the Third Circuit never considered or determined the controversy pending and in fact determined here, then their hypothetical determination of a question considered and determined here in connection with the real controversy upon the Bill actually determined here, but which controversy was not determined there, cannot be treated as a sort of an advance adjudication of that question, binding upon this Court in its future consideration of the case. The fact that the question was conceived to be determinable upon Bill and Answer, makes no difference so long as the Courts there did not determine the controversy which was the subject matter of the Bill. It is of no consequence nor binding upon the Courts here, that other Courts may have said that the question of validity as between the two  
317 patents, had become "important," as bearing upon the "term" of the monopoly and the "marking" of patented structures, so long as the controversy wherein it is important remains unadjudicated in the Courts expressing such view.

I am content to rest a denial of the motion upon the considerations herein set forth as sufficient to eliminate the doctrine of the Hart Steel Company case, and shall, therefore, not consider other suggestions made by counsel for the plaintiff upon which they assert the nonapplicability of that case or its doctrine; or upon which they assert that the motion can in no event be entertained in this Court; and the motion is likewise disposed of without determining whether the privity of relation between the Westinghouse Brake Company and the plaintiff National Brake Company existed or exists, as claimed by the former; that is merely assumed as a fact for the purpose of testing out the applicability of the doctrine of the Hart Steel Company case in view of the records of the cases in the two circuits.

It was suggested by counsel for the defendant that, in the event the pending motion be adversely determined to it, a review or attempted review of the decision in the Court of Appeals might be desired; and a request was made that, to afford opportunity to make application for review, a reasonable stay of proceedings in the accounting before the Master be granted. My own notions respecting the reviewability of the determination now made should not, of course, influence the granting or withholding of such request; if the defendant desires to obtain appellate review of the present ruling, there can be no objection to affording reasonable opportunity to attempt the assertion of an appropriate proceeding. Therefore, ten days may be allowed for that purpose, during which proceedings before the Master may be stayed.

An order may be entered denying the defendant's motion to dismiss and staying proceedings before the Master for ten days from the date of the entry of such order.

F. A. GEIGER,  
*District Judge.*

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(Filed July 31, 1918.)

In the District Court of the United States for the Eastern District of Wisconsin.

In Equity. No. 474.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS COMPANY, Plaintiffs

vs.

THE NATIONAL BRAKE & ELECTRIC COMPANY, Defendant.

The motion of defendant to dismiss the proceedings herein having come on to be heard and having been duly argued by counsel, and the court being fully advised in the premises,

It is ordered, that said motion be and the same hereby is denied.

It is further ordered, that the proceedings before the master shall be stayed for a period of ten days from the date of the entry of this order.

Enter.

F. A. GEIGER,  
*District Judge.*

July 31, 1918.

319 & 320 United States Circuit Court of Appeals for the Seventh Circuit.

I, Edward M. Holloway, Clerk of the United States Circuit Court of Appeals for the Seventh Circuit, do hereby certify that the foregoing printed pages, numbered from 1 to 318, inclusive, contain a true copy of the "Proceedings in Lower Court and in Pittsburgh case In Re Petitioner's Application for an Order Directing Dismissal of Bill brought in the United States District Court for the Eastern District of Wisconsin," filed October 1st, 1918, in the case of National Brake & Electric Company, Petitioner, vs. Niels A. Christensen and Allis-Chalmers Company, Respondents, No. 2163, October Term, 1917, as the same remains upon the files and records of the United States Circuit Court of Appeals, for the Seventh Circuit.

In testimony whereof, I hereunto subscribe my name and affix the seal of said United States Circuit Court of Appeals for the Seventh Circuit, at the City of Chicago, this seventh day of May, A. D. 1918.

[Seal United States Circuit Court of Appeals, Seventh Circuit.]

EDWARD M. HOLLOWAY,  
*Clerk of the United States Circuit Court  
of Appeals for the Seventh Circuit.*

321 At a regular term of the United States Circuit Court of Appeals for the Seventh Circuit Begun and Held in the United States Court Room, in the City of Chicago, in said Seventh Circuit, on the Second Day of October, 1917, of the October Term, in the Year of our Lord one thousand nine hundred and seventeen, and of our Independence the one hundred and forty-second.

And afterwards, to wit: On the nineteenth day of August, 1918, in the October term last aforesaid, there was filed in the office of the Clerk of this Court a certain Application or Petition, and an Order of Court entered, which said application or Petition and Order are not copied here, as the same appear on pages one (1) and seven (7) respectively of the "Pleadings in the Matter of the Application of National Brake & Electric Company for an Order directing the dismissal of the Bill of Complaint brought against it in the United States District Court for the Eastern District of Wisconsin, In Equity No. 474; and for a Stay of Proceedings in the District Court until Application is heard and Determined," certified herewith.

And afterwards, to wit: On the tenth day of September, 1918, in the October term last aforesaid, there was filed in the office of the Clerk of this Court, a certain Answer, which said Answer is not copied here, as the same appears on page eight (8) of the "Pleadings in the Matter of the Application of National Brake & Electric Company for an Order directing the dismissal of the Bill of Complaint brought against it in the United States District Court for the Eastern District of Wisconsin, in Equity No. 474; and for a Stay of Proceedings in the District Court until Application is heard and Determined," certified therewith.

322 At a regular term of the United States Circuit Court of Appeals for the Seventh Circuit Begun and Held in the United States Court room, in the City of Chicago in said Seventh Circuit, on the first day of October, 1918, of the October term, in the year of our Lord one thousand nine hundred and eighteen, and of our Independence the one hundred and forty-third.

And afterwards, to wit: On the first day of October, 1918, in the October term last aforesaid, there was filed in the office of the Clerk of this Court a certain Stipulation, which said Stipulation is not copied here, as the same appears on page sixteen (16) of the "Pleadings in the Matter of the Application of National Brake & Electric Company for an Order directing the dismissal of the Bill of Complaint brought against it in the United States District Court for the Eastern District of Wisconsin, In Equity No. 474; and for a Stay of Proceedings in the District Court until Application is heard and Determined," certified herewith.

And afterwards, on the same day, to wit: On the first day of October, 1918, the following further proceedings were had and entered of record, to wit:

Tuesday, October 1, 1918.

Court opened by proclamation of crier.

**Present:**

Hon. Francis E. Baker, Circuit Judge, presiding.  
Hon. Julian W. Mack, Circuit Judge.  
Hon. Evan A. Evans, Circuit Judge.  
Edward M. Holloway, Clerk.  
John J. Bradley, Marshal.

2163.

NATIONAL BRAKE &amp; ELECTRIC COMPANY

vs.

NIELS A. CHRISTENSEN et al.

It is ordered by the Court that the motion to dismiss the bill of Complaint, etc., be, and the same is hereby set down for hearing on November 12, 1918.

And afterwards, to wit: On the seventeenth day of October, 1918, in the October term last aforesaid, the following further proceedings were had and entered of record, to wit:

Thursday, October 17, 1918.

Court met pursuant to adjournment and was opened by proclamation of crier.

**Present:**

Hon. Francis E. Baker, Circuit Judge, presiding.  
Hon. Julian W. Mack, Circuit Judge.  
Hon. Samuel Alschuler, Circuit Judge.  
Edward M. Holloway, Clerk.  
John J. Bradley, Marshal.

2163.

NATIONAL BRAKE &amp; ELECTRIC COMPANY

vs.

NIELS A. CHRISTENSEN et al.

It is ordered by the Court that the motion for dismissal of bill of complaint, etc. in this cause be, and the same is hereby set down for hearing on November 19, 1918.



324 And afterwards, to wit: On the nineteenth day of November, 1918, in the October term last aforesaid, the following further proceedings were had and entered of record, to wit:

Tuesday, November 19, 1918.

Court met pursuant to adjournment and was opened by proclamation of crier.

Present:

Hon. Francis E. Baker, Circuit Judge, presiding.  
Hon. Julian W. Mack, Circuit Judge.  
Hon. Samuel Alschuler, Circuit Judge.  
Hon. Evan A. Evans, Circuit Judge.  
Edward M. Holloway, Clerk.  
John J. Bradley, Marshal.

Before:

Hon. Francis E. Baker, Circuit Judge.  
Hon. Julian W. Mack, Circuit Judge.  
Hon. Evan A. Evans, Circuit Judge.

2163.

NATIONAL BRAKE & ELECTRIC COMPANY

VS.

NIELS A. CHRISTENSEN et al.

Now this day come the parties by their counsel and the Petition for an order directing the dismissal by the District Court of the United States for the Eastern District of Wisconsin of the bill of complaint brought and filed against said National Brake and Electric Company, as defendant, by Niels A. Christensen and Allis-Chalmers Company, as plaintiffs in the United States District Court for the Eastern District of Wisconsin, Equity Number 474, now comes on to be heard on the printed record and briefs of counsel and on oral arguments by Mr. John S. Miller, counsel for petitioner, and by Mr. Joseph B. Cotton and Mr. Louis Quarles, counsel for respondent, and the Court having heard the same, takes this matter under advisement.

325 And afterwards, to wit: On the twentieth day of November, 1918, in the October term last aforesaid, there was filed in the office of the Clerk of this Court a certain Notice of Motion for leave to file an additional page to brief for Respondents, which said Notice of Motion is not copied here nor made a part of this record.

And afterwards, to wit: On the twenty-ninth day of April, 1919, in the October term last aforesaid, there was filed in the office of the Clerk of this Court the opinion of the Court, which opinion is the words and figures following, to-wit:

In the United States Circuit Court of Appeals for the Seventh Circuit. October Term, 1918, April Session, 1919.

**No. 2163.**

NATIONAL BRAKE & ELECTRIC COMPANY, Petitioner,

VS.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS COMPANY,  
Respondents.

Application for an Order Directing Dismissal of Bill Brought in the United States District Court for the Eastern District of Wisconsin

Before Baker, Mack and Evans, Circuit Judges.

BAKER, *Circuit Judge*, delivered the opinion of the court.

Respondents sued petitioner in the District Court for the Eastern District of Wisconsin for alleged infringement of Patent No. 635,281 issued Oct. 17, 1899, to N. A. Christensen, for a combined  
326 pump and motor. On issues joined as to the ultimate right of the parties, the District Court heard and considered all the evidence each side had to offer respecting the ownership, validity and infringement of the patent, and thereupon adjudged and decreed that respondents were the owners of a valid patent which was being infringed by structures made, used and sold by petitioner, that petitioner and its agents be enjoined during the life of the patent from making, using or selling any combined pump and motor embodying the Christensen improvements, and that an accounting before named master in chancery be had for past infringements. On appeal to this court that decree was affirmed in 1915. Ever since a mandate was issued, the cause has been pending in the District Court in Wisconsin on the accounting.

Some time after the decisions in this circuit, respondents began suit on the same patent against the Westinghouse Traction Brake Company in the District Court for the Western District of Pennsylvania. That litigation resulted in a decree, entered in 1917, pursuant to the mandate of the Circuit Court of Appeals for the Third Circuit, holding the patent invalid and dismissing the bill for want of equity.

Thereupon petitioner went into the District Court in Wisconsin and on representations that it was entitled to the benefit of the Pennsylvania decree as a privy asked that the Wisconsin decree be vacated and petitioner be granted leave to amend its answer on

merits by setting up the Pennsylvania decree as *res adjudicata*. That petition was denied.

And now petitioner comes before us in an original proceeding, asking that we recall our mandate, vacate our decree, find that the Pennsylvania decree is *res adjudicata* in this case, and thereupon direct the vacation of the Wisconsin decree and the dismissal of the bill on the merits.

On the records of the two cases, which are submitted as constituting all the evidence that bears on this motion, respondents dispute petitioner's contentions as to the identity of subject matter and parties in the two decrees. But at the threshold lies the question of the nature and effect of the Wisconsin decree, affirmed by this court, and we have stated the case only in that aspect.

327 A decree may be looked at from the point of view of time, and also from that of essence. The former discloses procedural law, mainly statutory appellate procedure; the latter concerns the right of a party who, for instance, on issues joined respecting title to property and exclusive possession or use, has submitted all his proofs and arguments, afterwards to require the court to ignore its deliberate decree on title and right of possession and to hear again the evidence and arguments on those issues because a supplemental or dependent issue has been reserved for future judicial determination.

If a decree writes "*finis*" to the litigation, it certainly merits the term "*final*" in time relation. But even in the time relation of procedure, the last judicial action is not always the matter that is reviewed on appeal. If a chancellor entertains a petition for a rehearing (motion for a new trial), his denial of the petition may be the final judicial action in the case, but his decree on the merits as deduced from the evidence and the law is the matter that is reviewed. The effect of the final order in time is to bring forward to the same time the order on the merits. *Brockett v. Brockett*, 2 How. 238; *Aspen Mining Co. v. Billings*, 150 U. S. 31; *Kingman v. Western Mfg. Co.* 170 U. S. 675; *Chicago G. W. Rld. Co. v. Gasham*, — U. S. — (Mar. 3, 1919).

Federal appellate procedure is wholly statutory. When the statute limited appeals to "*final*" decrees, the meaning of "*final*" was a matter of statutory construction. It was within the province of the court to declare that a "*final*" order was only the one that ends the litigation in the trial court and that the legislative intent was against "*piecemeal*" appeals. *Barnard v. Gibson*, 7 How. 650; *Craighead v. Wilson*, 18 How. 199; *Beebe v. Russell*, 19 How. 60; *Humiston v. Stainthorp*, 2 Wall. 106; *Green v. Fisk*, 103 U. S. 518; *Keystone Co. v. Martin*, 132 U. S. 91; *McGourkey v. Toledo Ry. Co.*, 146 U. S. 336; *Ex parte National Enameling Co.*, 201 U. S. 156; *Heike v. U. S.*, 217 U. S. 423; *Hamilton Shoe Co. v. Wolf Brothers*, 240 U. S. 251. In many of these cases the point was stressed that the intermediate order or decree sought to be presented for review, regardless

of its essence, was not final for the purposes of appeal with  
 328 the meaning of the statute. In the *Heike* case the court  
 observed: "It is true that in a certain sense an order coming  
 ing a controlling question of law made in a case is, as to that ques-  
 tion, final. Many interlocutory orders effectually dispose of some  
 matters in controversy, but that is not the test of finality for the  
 purposes of appeal or writ of error." If an order that is interlocutory  
 in time effectually disposes of certain issues under the law and the  
 evidence, the effect of the last order that disposes of the remaining  
 issues is the same as the effect of the order denying a motion for a  
 hearing,—it brings forward to the latter date for the purposes of  
 appeal the intermediate order on the merits, unless there is a special  
 statutory provision for an intermediate appeal from the intermediate  
 order in question.

Even in cases of procedural law, where the only question was when  
 the time for taking an appeal was ripe, the manifest inconvenience  
 and hardships from long postponements of a review of a decree, inter-  
 mediate in time, but based on a full submission and consideration of  
 the law and the evidence respecting the foundational issues of title  
 and use, led to exceptions in the application of the time rule. In  
*Forgay v. Conrad*, 6 How. 290, an assignee in bankruptcy filed a bill  
 to cancel sundry deeds of the bankrupt, to establish the assignee's  
 title and right of possession, and to obtain an accounting of the rents  
 and profits received by the defendants. On a full hearing of all  
 issues of title and right of possession, and of the fact that defendant  
 had been in unlawful possession, the trial court decreed that the com-  
 plainant was the owner and was entitled at once to exclude the de-  
 fendants from the property, that the defendants' receipts of rents  
 and profits were unlawful, that the amount thereof be determined by  
 an accounting before a master, and that so much of the bill as re-  
 lated to the accounting be retained for further decree. Plainly the  
 parties were kept in court for determination of an issue within the  
 pleadings. Plainly the decree on title and right of possession was the  
 the "final" decree in time relation. Plainly, in its essence, the  
 decree was final as to the issues then adjudged, for they "could  
 have been afterwards reconsidered or modified except upon  
 329 petition for a rehearing"; and the only question was whether  
 an appeal should then be allowed or only after all issues had  
 been finally disposed of in the trial court. In view of the fact that  
 the assignee in bankruptcy might distribute the proceeds of the sale  
 of the property among the creditors before the accounting issue be-  
 rents and profits was finally disposed of, the appeal was permitted to  
 stand. In aid of the "no piecemeal appeals" rule Mr. Chief Justice  
 Taney condemned the splitting of cases and the rendition of two  
 or more final decrees on the merits and pointed out to the trial court  
 that after a full hearing of the foundational rights of the parties on  
 an opinion should be given and no executable orders entered until  
 the master's account of profits or damages was in, so that all matters  
 in dispute might be embodied in "one final decree." (But the

means that underlay that attitude have lost their importance by changes in appellate procedure introduced in the act creating the Circuit Courts of Appeals.) *Thomas v. Dean*, 7 Wall. 342, was a similar case. There also the decree on review finally adjudged title and right of possession, and reserved the matter of accounting for a future decree.

While *Forray v. Conrad* and *Thomas v. Dean* are exceptional cases in the application of the Federal appeals statute then in force, they are not exceptional when substantive law is the test. Indeed, throughout the world of English-derived jurisprudence, there is unanimity that a decree which, on issues joined, and on submission by the parties and consideration by the court of all the evidence the parties can or choose to adduce and all the law the parties and the court deem applicable, adjudges that the complainant is the owner and entitled to the exclusive possession of property and that the defendant has unlawfully invaded the complainant's rights, and orders the defendant to surrender or keep away from the property forever, is a final decree on those issues, even though the issue concerning profits or damages from the defendant's trespasses has been reserved for future judicial action. Decrees of this character have been held to be final in essence, regardless of time relation, in cases of partition, partnership, foreclosure, redemption, cancellation, rescission, injunction, condemnation, and many others.<sup>9</sup> English courts have never

been tied by a statute limiting appeals to those that write "finis" to the litigation. In an English chancery cause there may be successive appeals. Consequently the essential nature of the decree

<sup>9</sup>Partition Cases: *Allison v. Drake*, 145 Ill. 569; *Ames v. Ames*, 148 Ill. 321; *Williams v. Wells*, 62 Iowa 740; *Danforth v. Klock*, 28 Mich. 162; *McRobert v. Lockwood*, 69 (66) Ill. 374; *Lechstrane v. Loan & Security Co.*, 50 S. E. 372 (Ga.); *Cedar Co. v. Peoples Bank*, 111 Fed. 440 (4th C. C. A.); *Richmond v. Richmond*, 57 S. E. 736 (W. Va.).

Partnership Cases: *Devoter Land Co. v. Couch*, 27 So. 559 (Ala.); *Summis v. Poole*, 99 Ill. App. 118, affirmed in 198 Ill. 296; *Silver v. Aiken*, 67 Ala. 313; *Boke v. Couch*, 166 Mich. 425.

Foreclosure and Redemption Cases: *Myers v. Munny*, 63 Ill. 211; *Gentry v. Lawley*, 27 So. 929 (Ala.); *Marquon v. Ross*, 78 Pac. 608 (Oregon); *Mills v. Bog*, 7 Paige 18; *Zimmerman v. Pugh*, 39 So. 980 (Ala.).

Cancellation or Reformation of Deed Cases: *McMurry v. Day*, 70 Iowa 671; *Lohman v. Cox*, 56 Pac. 286 (New Mexico); *Stahl v. Stahl*, 220 Ill. 198; *Jones v. Wilson*, 54 Ala. 50; *Johnson v. Northern Trust Co.*, 265 Ill. 263.

Perpetual Injunction Cases: *M. & M. Natl. Bank v. Kent*, 43 Mich. 392; *Racine v. Lee*, 113 Pac. 834 (New Mexico); *Improvement Co. v. Land*, 113 Pac. 840 (New Mexico); *Chicago Life Ins. Co. v. Auditor*, 199 Ill. 68; *Earl v. Jacobs*, 142 S. W. 1079 (Mich.).

Condemnation Cases: *Pettition of Phil. M. & B. Ry. Co.*, 53 Atl. 191 (Pa.); *Tenn. Cent. Ry. Co. v. Campbell*, 75 S. W. 1012 (Tenn.).

Miscellaneous Cases: *Walker v. Crawford*, 79 Ala. 265; *Pouque v. Bank*, 65 Pac. 124 (Cal.); *Wynn v. Bank*, 53 So. 278 (Ala.); *Robert v. Roseman*, 67 Atl. 339 (N. J.); *Klein v. Independent Brewing Assn.*, 231 Ill. 394; *Townsend v. Peterson*, 12 Colo. 491; *Fry v. Rush*, 65 Pac. 701 (Kan.); *Perrin v. Lopez*, 72 Mich. 654; *Ayer v. Termatt*, 8 Minn. 96; *De Grosse v. Gossard Co.*, 236 Ill. 73; *Arnold v. Sinclair*, 29 Pac. 340 (Mont.); *Rawley v. Harris*, 47 S. W. 176 (Tenn.); *France v. Bell*, 71 N. W. 984 (Nebr.); *Morson v. Stanley*, 81 Pac. 770 (Cal.); *Seher v. Crawford*, 65 Pac. 126 (New Mexico); *Canal Co. v. State of Louisiana*, 233 U. S. 302.

or order has furnished the test.\*\* And in its simplest form the test is whether the parties have intended to submit and have submitted the issue of title or right upon all their admissible contentions of fact and law and the court has intended to decide and has decided the issue and has put its decision into an immediately executable decree which in terms puts an end to that controversy, with no reservation of right to the parties or to the court for farther or renewed

331 presentation and consideration. Such a decree can be opened only on petition for rehearing, bill of review, or appeal.

From the point of view of time any order is interlocutory as it "speaks between" the beginning and the end of the litigation. But from the point of view of essence only those orders are interlocutory which abstain from determining the merits of any foundational issue of title or right and do no more than control temporarily the possession or use of property or the actions of the parties in order that the decree or decrees on the merits when rendered may be effectively executed.

Injunction cases (and there can be in reason no difference between the equitable protection of patent rights and other rights) furnish a particularly clear example of the essential distinction. An owner's property is harassed by repeated and continuing trespasses. He no longer brings a common law action for damages on account of the trespass. But that is not an adequate remedy against a persistent trespasser. So the owner invokes the equitable remedy of injunction devised by the oldtime chancellors. In his bill he sets forth his title and right of exclusive possession and the defendant's repeated and continuing trespasses as indicative of the defendant's intent to trespass in the future, and thereupon prays, always for a permanent injunction and sometimes for a temporary. If on affidavits and other informal and inconclusive evidence the chancellor orders the defendant to refrain until he can determine the equities on a full and formal submission and deliberate consideration of all the evidence and law, the order is not only interlocutory in time but also in essence. But when the parties have submitted everything they have respecting title and right to exclusive possession and the defendant's minatory attitude and thereupon the chancellor enters a permanent injunction, immediately executable, the order is final in essence on the issues submitted and determined, but may be either final or interlocutory in time relation. It is final in time if the owner asks no damages for past trespasses or, having asked, waives them. (In *McGourkey v. Toledo & Ohio Ry. Co.*, 146 U. S. 536, 546, it was said that a decree fixing the rights and liabilities of the parties and ordering an

\*\*British and Colonial Cases: *In re Stockton Iron Furnace Co.*, 10 L. J. Ch. D. 335; *Voll v. Smith*, 31 E. & B. 908; *Fenner v. Wilson*, 62 L. J. Ch. 98; *North British Bank v. Collins*, 1 MacQueen (Scottish Appeal Cases) 360; *St. v. St. Louis*, 8 Supreme Court of Canada 385; *Baptist v. Baptist*, 21 Supreme Court of Canada 425; *Ahmed Musaji Saleji v. Hashim Ibrahim Saleji*, Indian Law Reports, 29 Calcutta 758; *Bhup Indur Bahadur Singh v. Bajaj Bahadur Singh*, Indian Law Reports, 23 Allahabad 156; *Bolovan Dey v. Ram Chandra Dey*, Indian Law Reports, 23 Calcutta 279; *Charles v. Hertz' Trustees*, 28 Transvaal Supreme Court 584.

counting before a master is final in time relation, that is, for the purposes of appeal, "if such accounting be not asked for in the bill.") It is interlocutory in time if the owner sets up and demands his damages for past trespasses and the chancellor reserves that matter for future judicial action. But how comes the chancellor to act at all upon the matter of damages? Injunction, which is the sole basis of the equitable jurisdiction over the bill, is prospective,—it regulates the conduct of the defendant for the future. Damages concern only the past. For them a common law action was proper and adequate. But the chancellor, having rightly taken cognizance of an equitable subject-matter, rightly concludes, in order that there may be a speedy determination of both the equitable and the legal causes of action concerning the same property, not to remit the parties to the common law court, but to entertain the common law cause of action as an appendage of the equitable cause. When the chancellor has found the complainant's title and right to exclusive possession and from evidence of the defendant's repeated and continuing trespasses has found the defendant's threat as to the future, his entry of a permanent injunction exhausts every equitable issue in the bill. But the same evidence that discloses the defendant's threat as to the future usually proves the existence of damages for past trespasses. All that remains in such a case is to ascertain one element, the amount, in order to make the common law cause of action complete. And it is more convenient that this should be done in the court that already has jurisdiction of the parties and has established from the evidence the foundation of the common law cause of action. So the decree of a permanent injunction, determining as it does all the equities of the bill, is final as to the equities, irrespective of whether an accounting of damages for past trespasses is or is not reserved for future action.

With respect to time relation the distinction between a temporary and a perpetual injunction may be ignored without injury to the parties. If a decree that holds or creates a status until a full hearing can be had is challenged, the appeal must be taken within thirty days. Such a decree is interlocutory both in time and in essence. If a decree dismisses an injunctive bill for want of equity, a period of six months is allowed for appeal. Such a decree is final both in time and in essence. If a decree establishes a perpetual injunction and orders an accounting, no injury is done if, as a matter of procedural law, it be held that an appeal must be taken within thirty days. Such a decree, though final in essence, is interlocutory in time, and, stressing time in procedure, it may be better that the decree be classified as interlocutory for the purposes of appeal. But, although appeals from decrees of temporary injunction and from decrees of perpetual injunction with accounting reserved are thus brought within the same section of the appellate statute, no bar to recognizing the difference in essence between temporary and perpetual injunctions is thereby formed. On appeal from a decree of temporary injunction, the only question is



whether the trial court abused its discretion in holding or creating a status. If a decree of perpetual injunction with accounting reserved must be held to be interlocutory in essence because it is held to be interlocutory in time, then the only question on appeal would be the chancellor's abuse of discretion. This very contention was presented in *Smith v. Vulcan Iron Works*, 165 U. S. 518, and was rejected.

If a decree of perpetual injunction with accounting reserved is merely interlocutory in essence, then the defendant as a matter of right can insist that the chancellor hear again the same evidence and newly discovered evidence and decide anew the equities of the bill. If such a decree is affirmed on appeal, its character, if interlocutory in essence, is not thereby changed, and the defendant could still insist on having his day in the trial court on the merits. In reply to such an insistence in *In re Potts*, 166 U. S., 263, the court said:

"The decision and decree of this court did not amount indeed, technically speaking, to a final judgment, because the matter of accounting remained to be disposed of. But they constituted an adjudication by this court of all questions, whether of law or fact, involved in the conclusion that the letters patent of the plaintiff were valid and had been infringed. The questions of novelty and infringement were before this court, and disposed of by its decree, and must therefore be deemed to have been finally settled, and could not afterwards be reconsidered by the circuit court."

And the defendant of course could not have the Supreme Court reconsider its final decree on validity and infringement except  
334 by petition for rehearing. Inasmuch as the act creating the Circuit Courts of Appeals requires those courts to hear and determine patent cases in the way theretofore done by the Supreme Court, we had assumed that our books were closed on the questions of the validity and infringement of the Christensen patent ever since 1915.

*Lovell-McConnell Co. v. Auto Supply Co.*, 235 U. S. 383, involved a matter of taxable costs in a Circuit Court of Appeals. The fees in question were not taxable if the decree appealed from was a "final decree." It was held that a decree finding a patent valid and infringed, awarding a permanent injunction, and directing an accounting of damages and profits, was a final decree for the purpose of determining the rights of the parties concerning costs. If a decree that is held to be interlocutory for the purpose of appeal is held to be final respecting a right to costs, how much more important it is that such a decree be held to be final respecting the right to hold a permanent injunction based on findings of validity and infringement after a full submission and consideration of all the evidence and the law bearing on those issues.

In *Hamilton Shoe Co. v. Wolf Brothers*, 240 U. S. 251, the statute governing the issuance of writs of certiorari by the Supreme Court to Circuit Courts of Appeals was interpreted and applied. It was held that a refusal to grant the writ on application to review a decree of

perpetual injunction with accounting reserved was not equivalent to an affirmance of that decree by the Supreme Court; and that, a writ of certiorari having been granted after the Circuit Court of Appeals had passed on the accounting, the whole case was before the Supreme Court for review. This procedural decision is not deemed by us to oppose a holding that a decree of perpetual injunction with accounting reserved is a final decree on the equities unless vacated on appeal or writ of certiorari.

Hart Steel Co. v. Railroad Supply Co., 244 U. S. 294, is relied on by petitioner as demonstrating that the decree here in question is merely interlocutory in essence. In that case a bill for infringement was dismissed for want of equity by a District Court in Ohio, and that decree had been affirmed by the Circuit Court of Appeals for the

Sixth Circuit. Contemporaneously a bill by the same complainant against different defendants was pending in a District Court in Illinois, and that bill was dismissed for want of equity. When the appeal from that decree came before this court, the defendants-appellees moved that the decree of the District Court be affirmed on the ground that they were in privity with the defendant in the Ohio case. The Supreme Court held that the issue of the defendants-appellees having been privies to the decree of the District Court in Ohio was pleadable and the question of fact triable in this appellate court. The decrees of the two District Courts and the decree of the Circuit Court of Appeals for the Sixth Circuit were all final decrees both in time and in essence. No question arose or could arise whether a decree of perpetual injunction, immediately executable, though interlocutory in time by reason of a reserved accounting, is or is not final in essence on the issues of title and right of exclusive use. Our understanding of the Hart case is that the first adjudication on the equities of a bill is binding on the parties and their privies. In what ways that first adjudication may be availed of are matters of pro-

*parties in submitting their full proofs and the character of such submission and the intention of the court in giving deliberate consideration to all the evidence and law the parties can present and the character of the result of*

*cedure.* We do not understand that the intention of the parties in submitting their full proofs and the character of such submission and the intention of the court in giving deliberate consideration to all the evidence and law the parties can present and the character of the result of such consideration are dependent upon the subsequent condition that the court shall always deny and never grant the equitable relief prayed for in the bill.

We are unable to find, as a matter of substantive law, that a perpetual injunction has only a temporary purpose and force.

The petition is

Denied.

336 And afterwards, on the same day, to wit: On the twenty-ninth day of April, 1919, in the October term last aforesaid the following further proceedings were had and entered of record to wit:

Tuesday, April 29, 1919.

Court met pursuant to adjournment and was opened by proclamation of crier.

Present:

Hon. Francis E. Baker, Circuit Judge, presiding.  
 Hon. Samuel Alschuler, Circuit Judge.  
 Hon. Evan A. Evans, Circuit Judge.  
 Hon. George T. Page, Circuit Judge.  
 Edward M. Holloway, Clerk.  
 John J. Bradley, Marshal.

Before:

Hon. Francis E. Baker, Circuit Judge.  
 Hon. Julian W. Mack, Circuit Judge.  
 Hon. Evan A. Evans, Circuit Judge.

2163.

NATIONAL BRAKE & ELECTRIC COMPANY, Petitioner,

vs.

NIELS A. CHRISTENSEN and ALLIS-CHALMERS COMPANY,  
 Respondents.

Application for an Order Directing Dismissal of Bill Brought in the United States District Court for the Eastern District of Wisconsin.

It is now here ordered, adjudged and decreed by this Court that the petition of National Brake & Electric Company for an order directing the dismissal of the Bill of Complaint brought against it in the United States District Court for the Eastern District of Wisconsin, In Equity 474, and for a stay of proceedings in the said District Court in said cause until the said petition is heard and determined, be, and the same is hereby denied with costs.

337 United States Circuit Court of Appeals for the Seventh Circuit.

I, Edward M. Holloway, Clerk of the United States Circuit Court of Appeals for the Seventh Circuit, do hereby certify that the foregoing printed pages, numbered from 321 to 336, inclusive, contain a true copy of the proceedings had and papers filed (except the Application or Petition, filed August 19, 1918, the Order entered August 19, 1918, the Answer filed September 10, 1918, and the Stip

lation filed October 1, 1918, all of which appear on pages one (1), seven (7), eight (8) and sixteen (16) respectively, of the "Pleadings in the Matter of the Application of National Brake & Electric Company for an Order directing the dismissal of the Bill of Complaint brought against it in the United States District Court for the Eastern District of Wisconsin, In Equity No. 474, and for a Stay of Proceedings in the District Court until Application is heard and Determined," certified herewith, the briefs of counsel and the Notice of Motion, which said Notice of Motion was filed November 20, 1918) in the case of National Brake & Electric Company, Petitioner, vs. Niels A. Christensen and Allis-Chalmers Company, Respondents, No. 2163, October Term, 1917, as the same remains upon the files and records of the United States Circuit Court of Appeals, for the Seventh Circuit.

In testimony whereof I hereunto subscribe my name and affix the seal of said United States Circuit Court of Appeals for the Seventh Circuit, at the City of Chicago, this seventh day of May, A. D. 1919.

[Seal United States Circuit Court of Appeals, Seventh Circuit.]

EDWARD M. HOLLOWAY,  
*Clerk of the United States Circuit Court  
of Appeals for the Seventh Circuit.*

338 UNITED STATES OF AMERICA, ss:

[Seal of the Supreme Court of the United States.]

The President of the United States of America to the Honorable the Judges of the United States Circuit Court of Appeals for the Seventh Circuit, Greeting:

Being informed that there is now pending before you a suit in which National Brake & Electric Company is petitioner, and Niels A. Christensen and Allis-Chalmers Company are respondents, No. 2163, and we, being willing for certain reasons that the said cause and the record and proceedings therein should be certified by the said Circuit Court of Appeals and removed into the Supreme Court of the United States, do hereby command you that you send  
339 without delay to the said Supreme Court, as aforesaid, the record and proceedings in said cause, so that the said Supreme Court may act thereon as of right and according to law ought to be done.

Witness the Honorable Edward D. White, Chief Justice of the United States, the seventeenth day of June, in the year of our Lord one thousand nine hundred and nineteen.

JAMES D. MAHER,  
*Clerk of the Supreme Court  
of the United States.*

In the United States Circuit Court of Appeals for the Seventh Circuit.

In obedience to the within writ, I herewith transmit to the Supreme Court of the United States, a true and complete transcript of the record and proceedings in the foregoing entitled cause this 20th day of June, A. D. 1919.

[Seal United States Circuit Court of Appeals, Seventh Circuit.]

EDWARD M. HOLLOWAY,  
*Clerk of the United States Circuit Court  
of Appeals of the Seventh Circuit.*

340 [Endorsed:] File No. 27,133. Supreme Court of the United States, No. 1047, October Term, 1918. National Brake & Electric Company vs. Niels A. Christensen et al. Writ of Certiorari. Filed Jun- 20, 1919. Edward M. Holloway, clerk.

341 [Endorsed:] File No. 27,133. Supreme Court U. S., October Term, 1918. Term No. 382. National Brake & Electric Co., petitioner, vs. Niels A. Christen- et al. Writ of certiorari and return. Filed June 23, 1919.

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JAMES D. WAHER;  
CLERK.

IN THE  
**Supreme Court of the United States.**

OCTOBER TERM, A. D. 1919.

No.  111

NATIONAL BRAKE & ELECTRIC COM-  
PANY,

*Petitioner,*

*vs.*

NIELS A. CHRISTENSEN and ALLIS-  
CHALMERS COMPANY,

*Respondents.*

Certiorari to the  
United States  
Circuit Court of  
Appeals for the  
Seventh Circuit.

MOTION FOR WRIT OF PROHIBITION OR OTHER PROPER  
DIRECTION TO HARRY L. KELLOGG, ESQ., MASTER IN  
CHANCERY OF THE DISTRICT COURT OF THE UNITED  
STATES FOR THE EASTERN DISTRICT OF WISCONSIN, AND  
TO THE HON. FERDINAND A. GEIGER, JUDGE OF THE  
DISTRICT COURT OF THE UNITED STATES FOR THE EAST-  
ERN DISTRICT OF WISCONSIN, AND STATEMENT OF FACTS  
CONCERNING THE SAID MOTION AND THE OBJECTS OF  
THE SAME.

THOMAS B. KERR,  
CHARLES A. BROWN,  
*Solicitors,*

JOHN S. MILLER,  
EDWARD OSGOOD BROWN,  
*Of Counsel,*  
*For Petitioner.*



IN THE  
SUPREME COURT OF THE UNITED STATES,

October Term, A. D. 1919.

No. 382.

NATIONAL BRAKE & ELECTRIC COM-  
PANY,

*Petitioner,*

vs.

NIELS A. CHRISTENSEN and ALLIS-  
CHALMERS COMPANY,

*Respondents.*

Certiorari to the  
United States  
Circuit Court of  
Appeals for the  
Seventh Circuit.

Application in said cause to the Supreme Court of the United States for a writ of prohibition or other proper writ or order to be directed to Harry L. Kellogg, Esq., master in chancery of the District Court of the United States for the Eastern District of Wisconsin, and to the Honorable Ferdinand A. Geiger, judge of the District Court of the United States for the Eastern District of Wisconsin, commanding them to stay all further proceedings under the decree of said District Court of the United States for the Eastern District of Wisconsin in the case of Niels A. Christensen and Allis-Chalmers Company entered by said District Court on the twenty-first day of August, A. D. 1914, and to stay the accounting which is proceeding under said decree, until the said above entitled cause pending in the Supreme Court of the United States shall be decided by said court or until the further order of that court.

**NOTICE.**

To Niels A. Christensen, and Allis-Chalmers Company, or their solicitors, Joseph B. Cotton, Willett M. Spooner,

Louis Quarles, and William R. Rummeler, and to Hon. L. Kellogg, Esq., master in chancery of the District Court of the United States for the Eastern District of Wisconsin, and to The Honorable Ferdinand A. Geigley, judge of said court.

Please take notice that we shall present the motion for writ of prohibition or other proper writ in this order and the statement in support thereof hereunto annexed to the Supreme Court of the United States at the capitol in the City of Washington, District of Columbia on the 27th day of October, A. D. 1919, at the opening of the court on that day or as soon thereafter as counsel can be heard.

THOMAS B. KERR,  
CHARLES A. BROWN,  
*Solicitors*

JOHN S. MILLER,  
EDWARD OSGOOD BROWN,  
*Of Counsel.*

Service of the foregoing petition and brief in the above entitled cause is admitted on this 24<sup>th</sup> day of October, A. D. 1919.

*James H. Brown*  
*James H. Brown*  
*James H. Brown*  
*James H. Brown*  
*James H. Brown*  
*James H. Brown*

IN THE  
SUPREME COURT OF THE UNITED STATES,

October Term, A. D. 1919.

No. 382.

NATIONAL BRAKE & ELECTRIC COM-  
PANY,

*Petitioner,*

vs.

NIELS A. CHRISTENSEN and ALLIS-  
CHALMERS COMPANY,

*Respondents.*

Certiorari to the  
United States  
Circuit Court of  
Appeals for the  
Seventh Circuit.

*To the Honorable the Chief Justice and Associate Jus-  
tices of the Supreme Court of the United States:*

Your petitioner, the National Brake & Electric Com-  
pany, moves for a writ of prohibition or other proper  
writ, direction or order to be directed to Harry L. Kel-  
logg, Esq., master in chancery of the District Court of  
the United States for the Eastern District of Wisconsin  
and to the Honorable Ferdinand A. Geiger, judge of  
the District Court of the United States for the Eastern  
District of Wisconsin, commanding them to stay all fur-  
ther proceedings under the decree of said District Court  
of the United States for the Eastern District of Wis-  
consin, entered on the 21st day of August, A. D. 1914, in  
the suit (being Equity No. 474) of Niels A. Christensen  
and Allis-Chalmers Company is this petitioner, National  
Brake & Electric Company,—and to stay the ac-  
counting which is proceeding under said decree,—until  
the above entitled cause of the *National Brake & Electric  
Company, Petitioner v. Niels A. Christensen and Allis-*

*Chalmers Company*, now before this court on certiorari from the Circuit Court of Appeals of the Seventh Circuit shall be heard and determined by this court, or by the further order of this court; and as grounds of the motion represents:

*First.* That on June 9, 1919, this court issued its writ of certiorari to the Circuit Court of Appeals for the Seventh Circuit to review the judgment of that court of April 29, 1919, dismissing the petition or motion of petitioner of August 19, 1918, hereinafter mentioned, in the cause and matter hereinafter mentioned, that is to say:

The petitioner was the defendant in the District Court of the United States for the Eastern District of Wisconsin, in the said suit, Equity No. 474, for an alleged infringement of patent No. 635280 issued October 17, 1899, to N. A. Christensen for a combined pump and motor. The said District Court after hearing, by a decretal order, maintained by us to be interlocutory, decreed on August 21, 1914, that the complainants were the owners of the patent, that it was valid and infringed by structures made, used and sold by petitioner, and that petitioner and its agents be and were enjoined from making, using or selling such structures during the life of the said patent, and that an accounting should be had before a named master in chancery for past infringements.

From this decree an appeal was prayed by the defendant to the Circuit Court of Appeals for the Seventh Circuit, being case No. 2163 in that court, and therein on October 5, 1915, the decree in question was, by the judgment of that court (also maintained by us to be interlocutory), affirmed by the Circuit Court of Appeals also said, and ever since that affirmance the cause has been

pending in the District Court in Wisconsin on the accounting, and is now pending in said court,—the respondent to this petition, Harry L. Kellogg, Esq., being the master in chancery, before whom the accounting is proceeding.

In March, 1918, a motion was made by the defendant (this petitioner), in the District Court for the Eastern District of Wisconsin, to dismiss the bill of complaint in the case at the costs of the plaintiff, on the ground that all of the issues in the case had been fully and finally determined and adjudicated in defendant's favor by the Circuit Court of Appeals for the Third Circuit and by the final decree of the District Court for the Western District of Pennsylvania entered on the 1st day of October, 1917, in a suit between the plaintiffs and the Westinghouse Traction Brake Company, with which company the defendant was in privity; and in which suit, by such final decree, said patent 63280 was found, adjudged and decreed to be invalid and void.

After argument this motion was denied by the District Court for the Eastern District of Wisconsin on July 31, 1918.

Thereupon, on August 19, 1918, conceiving that the application looking to such dismissal by the District Court should be made to the Circuit Court of Appeals, and that the said District Court after the affirmance of its decree of August 21, 1914, by the Circuit Court of Appeals might not have, without the assent of said Circuit Court of Appeals, the right or power to set aside or modify or disregard its said decree of August 21, 1914, so affirmed by the Circuit Court of Appeals, the defendant (this petitioner), presented to the Circuit Court of Appeals for the Seventh Circuit an application for an order recalling its mandate, vacating its said judgment of affirm-



ance of said decree of said District Court for the Eastern District of Wisconsin, and remanding said cause to the said District Court with directions for the dismissal by the last mentioned court at the costs of the plaintiff of the said bill of complaint brought against it by said Christensen and Allis-Chalmers Company in the United States District Court for the Eastern District of Wisconsin Equity Number 474;—said suit being recited in said application or petition to be the same suit which was pending in said Circuit Court of Appeals upon the appeals of the National Brake and Electric Company as No. 2163 of the October Term, 1913, from the interlocutory decree of said District Court enjoining said defendant National Brake & Electric Company from infringing patent No. 635280, as appeared by the transcript upon said appeal then remaining in said court.

By stipulation between counsel for the respective parties, appearing of record herein, it was provided that the record on said application of petitioner in said Circuit Court of Appeals should consist of the petition to the Circuit Court of Appeals, and the answer thereto and copies of certain portions or excerpts from the testimony, pleadings, decrees, master's reports, etc., in the cause No. 474 in the District Court for the Eastern District of Wisconsin and in the causes in the Circuit Court of Appeals for the Third Circuit and in the District Court for the Western District of Pennsylvania, all of which are in the record herein on this certiorari and returned in obedience to said writ.

Said application by petition was heard by the Circuit Court of Appeals for the Seventh Circuit and denied and said petition or motion of petitioner was dismissed by an order of that court on April 29, 1919, at which time

an opinion was rendered by said court which placed its decision solely on the position that for the purposes of determining the rights of the parties, the decree of the District Court for the Eastern District of Wisconsin entered August 21, 1914, and affirmed by the Circuit Court of Appeals, October 5, 1915, sustaining said patent No. 635280 and finding infringement and ordering an accounting, was a final decree and not an interlocutory decree.

*Second.* That on June 2, 1919, this petitioner, The National Brake & Electric Company, presented to this court a petition for a writ of certiorari from this court to the United States Circuit Court of Appeals to review its said judgment order of April 29, 1919, and supported the same by setting forth in said petition the facts necessary for a consideration of the petition and the grounds on which said petition was based, and also by a brief filed with the said petition upon the questions therein involved. The said plaintiffs Niels A. Christensen and Allis-Chalmers Company filed with this court on the said day a brief made up of a "Statement of Facts" and an "Argument" in opposition to the issuance of said writ of certiorari.

On consideration thereof, this court on June 9, 1919, granted a certiorari which was duly issued and obeyed by the Circuit Court of Appeals of the Seventh Circuit, said cause being No. 382 on the docket of this court.

The said cause, as your petitioner submits, of the *National Brake and Electric Company v. Niels A. Christensen and Allis-Chalmers Company*, No. 474 in Equity in the District Court of the Eastern District in Wisconsin, and No. 2163 in Equity in the Circuit Court of Appeals of the Seventh Circuit, is now, therefore, before this court on and for the purposes of said certiorari. And the

petitioner represents that the record herein returned by said Circuit Court of Appeals in obedience to said writ of certiorari shows exactly the state of facts on which the petitioner founded its application to the Circuit Court of Appeals for the Seventh Circuit in August, 1918, and on being overruled there its application for a certiorari to this court.

*Third.* The petitioner on the granting of the certiorari by the Supreme Court as aforesaid,—being advised and believing that by its own force and effect the said certiorari so issued by this court operates to and does stay until the decision of the cause by this court, the further proceedings in both the Circuit Court of Appeals for the Seventh Circuit in Number 2163 on the docket of said court and in the District Court of the United States for the Eastern District of Wisconsin No. 474 in Equity on the docket of that court (being in each case the suit or litigation between said Christensen and the Allis-Chalmers Company on the one part and The National Brake & Electric Company of the other concerning their rights under patent 635280, as aforesaid),—brought to the attention of the Honorable Ferdinand A. Geiger sitting as judge in the United States District Court for the Eastern District of Wisconsin, and of Harry L. Kellogg, Esq., the master in chancery before whom the said accounting before described is proceeding, the issuance of said certiorari and requested them to stay the accounting and the further proceedings in said cause until this court should have heard and decided the cause so pending on certiorari before

But the said Honorable Ferdinand A. Geiger as judge of the District Court aforesaid and the said Harry L. Kellogg, Esq., master in chancery as aforesaid, declined and refused to further stay said proceed-

ings or order said proceedings or accounting to be stayed as requested, and the Honorable Ferdinand A. Geiger treating said suggestion of this petitioner as a motion to the said District Court of the Eastern District of Wisconsin to stay further proceedings under the decree in said cause, denied the same and rendered an opinion in doing so, expressing his conclusion as follows:

“It may be conceded as quite elementary that ordinarily the issuance of a writ of certiorari carries with it a supersedeas. But I cannot escape the conviction that the judgment which is the subject of the present proceedings in this court is not at all affected, either by the petition filed in the Circuit Court of Appeals, nor by the certiorari issued by the Supreme Court. Such petition filed three years after the Circuit Court of Appeals had exhausted its appellate jurisdiction—and the latter was the only jurisdiction ever invoked—is clearly of the nature of an original proceeding and in my judgment, particularly in view of the refusal of the Court of Appeals to grant the relief prayed for, reaches neither the judgment nor this court.”

*Fourth.* Conceiving that it might be proper, considering the judgment of October 5, 1915, of the Circuit Court of Appeals for the Seventh Circuit affirming the decree of the District Court of the United States for the Eastern District of Wisconsin entered on August 21, 1914, and the fact that the writ of certiorari from this court had been directed to said Circuit Court of Appeals, to apply to the said Circuit Court of Appeals for the Seventh Circuit for a direction to the District Court of the Eastern District of Wisconsin to stay proceedings in the said accounting under said decree, the petitioner The National Brake & Electric Company made such an application by motion before said Circuit Court of Appeals on October 7, 1919, at the coming in of said court for the October Term thereof. The said Circuit Court of Ap-

peals holding that since the issuance of the certiorari, it had no longer any jurisdiction over said cause or application, denied the said motion for such want of jurisdiction.

*Fifth.* The petitioner now moves this court, by writ of prohibition or other proper writ, direction or order, to direct the said Honorable Ferdinand A. Geiger, judge of the District Court of the United States, for the Eastern District of Wisconsin, and Harry L. Kellogg, Esq., master in chancery as aforesaid, to stay the further accounting in said cause of *Christensen v. The National Brake & Electric Company*, and any further proceedings in said cause under the decree rendered by the said District Court in said cause on August 21, 1914, until the further order of this court or the decision by this court of the cause, *The National Brake & Electric Company v. Niels A. Christensen and Allis-Chalmers Company*, No. 382 on the present docket of this court, for the following reasons:

(a) That such stay is the legal effect of the said certiorari issued as before set forth and described, and that the said Honorable Ferdinand A. Geiger and the said Harry L. Kellogg, Esq., master in chancery, have refused to take notice of and abide by said certiorari and the legal effect thereof, and

(b) That if such stay of the said accounting and further proceedings in said cause, be not as the petitioner is advised and believes it to be, the effect by its own force of the certiorari before described, issued by this court on June 9, 1919, it is respectfully asked that this court should exercise its power and discretion to direct such stay in furtherance of its jurisdiction and in order to make effective the certiorari which it has ordered and

by virtue of which the said cause is before this court for consideration and decision.

Should this court deem that it is the proper course of proceeding in such a case as this to move for leave to file a petition for a writ of prohibition or other proper writ or order, then the petitioner asks that this motion or application shall be regarded and taken as such application for leave to file a petition for such writ of prohibition or other writ or order, and that an order granting such leave be made.

Respectfully submitted,

NATIONAL BRAKE & ELECTRIC COMPANY,

*Petitioner.*

By THOMAS B. KERR,

CHARLES A. BROWN,

*Its Solicitors.*

JOHN S. MILLER,

EDWARD OSGOOD BROWN,

*Of Counsel.*





IN THE  
SUPREME COURT OF THE UNITED STATES,

October Term, A. D. 1919.

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No. 382.

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National Brake & Electric Company,  
*Petitioner,*

*vs.*

Niels A. Christensen and Allis-Chalmers Company,  
*Respondents.*

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**BRIEF IN SUPPORT OF THE PRECEDING MOTION.**

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In compliance with our understanding of the rule of this court, we have incorporated in our written motion or petition submitted herewith, a statement of the facts and the objects of the motion—and there is little to add thereto, as we conceive. It would be superfluous to attempt an argument addressed to this court on the general effect of a certiorari issued by it to an inferior court in any given cause, whether that court is the intermediate and appellate tribunal or a court of original jurisdiction in which the litigation which is the subject of the certiorari, originated.

On this point, this court is, of course, the interpreter of its own process, mandates and orders. We can only submit to this court that which we submitted to the District Court of the Eastern District of Wisconsin, that it certainly is the general rule that a writ of certiorari from

this court is in and of itself a supersedeas in the litigation in which it is issued until this court has disposed of the subject matter and contentions involved in it. This has been hitherto invariably recognized by the inferior federal courts, as we believe, when the question has been raised. When the certiorari from this court has been directed to the Circuit Courts of Appeal, those courts have, as did in the instant case the Circuit Court of Appeals for the Seventh Circuit, declined—because their hands were tied and their jurisdiction of the case for the time lost by the certiorari—to make any direction to the court in which the litigation originated. But they have coupled frequently with that refusal and declination a statement that the certiorari was *proprio vigore*, a supersedeas and direction to the lower court to proceed for the time no further with the litigation.

Thus the Circuit Court of Appeals of the Ninth Circuit in *Waskey v. Hammer, et al.*, 179 F. R., 273, said, speaking of a certiorari issued to it by this court:

“It would seem upon principle in view of the effect of the writ and consequent stay that all proceedings in this court *as well as in the District Court of Alaska* to which the mandates of this court were issued, are stayed until the decision of the Supreme Court shall be rendered upon its review of the judgment of *this court*, and that notice of the issuance of the writ should be brought to the attention of the District Court in order that it may direct a stay of further proceedings, and that this court is powerless to act in the premises.”

And in *Louisville N. A. & C. Ry. Co. v. Louisville Trust Co., et al.*, 78 F. R., 659, the Circuit Court of Appeals of the Sixth Circuit, in declining to set aside because of a certiorari from this court an order of dismissal it had made, said:

“It (the certiorari), however, suspends any further act by the Circuit Court of Appeals or by the

*trial court in obedience to the adjudication of the Circuit Court of Appeals, after the writ has been awarded or at least when the court is notified of the issuing of the writ of certiorari by the Supreme Court and its service upon the Circuit Court of Appeals."*

And in *Bailey v. Lansing*, 13 Blatchford, 424, Judge Wallace in the Circuit Court of the Northern District of New York said that the decisions are uniform that:

*"Upon the allowance of a certiorari the effect of a judgment which it is taken to review except in the single case of an execution already issued and in process of being executed is suspended as to all proceedings under it and as to all collateral matters. The judgment is not even evidence in a case between the same parties. It is as completely suspended as though it had never been rendered."*

And the Circuit Court of Appeals of the Seventh Circuit in deciding against us in the instant case, the application which *ex majori cautela* we made to it for direction to the District Court, placed its decision not on any difference in view as to the effect of a certiorari nor on any supposed or technical distinction between the cause in which the certiorari was issued and that in which we desired the proceedings stayed, but solely on the want of jurisdiction after the certiorari had been granted by this court, to issue any instruction or direction to the District Court in the cause involved. It reminded us properly enough that it was the jurisdiction of this court and the effect of the process of this court we were invoking, and that to this court, therefore, must be referred the protection of its own jurisdiction and the effect of its own process when ignored by any subordinate court.

Nor did the learned judge of the District Court in refusing to order a stay of proceedings in the litigation fail to recognize the general effect of a supersedeas. The

passage from his opinion, which we have quoted in the written motion prefixed, distinctly shows such recognition. "It may be conceded as quite elementary," he said, "that ordinarily the issuance of a writ of certiorari carries with it a supersedeas."

But he places his refusal entirely upon the theory that our application of August 19, 1918, to the Circuit Court of Appeals was "clearly of the nature of an original proceeding and \* \* \* particularly in view of the refusal of the Court of Appeals reaches neither the judgment nor this court."

We understand him in this statement to mean by "the judgment" the decree of the District Court of August 21, 1914, finding the patent 635280 valid and infringed and ordering an accounting. On the theory of the learned judge thus presented, we may, therefore, perhaps be justified in briefly commenting.

Our application to the Circuit Court of Appeals on August 19, 1919, was not "an original proceeding" in any such sense as the district judge conceived. The District Court's conception that it was an original proceeding assumed that the view of the Circuit Court of Appeals of the Seventh Circuit that the decree of the District Court in Wisconsin, and its own order of affirmance, were final and not interlocutory, is to be accepted. This conception, for the purpose of this certiorari, its scope and its effect as a stay of proceedings, is clearly a mistaken one. The said application sought the vacation of a decree maintained to be interlocutory because of a final decree thereafter entered in another court which constituted a positive bar and defense to the suit in which the interlocutory decree had been entered and was a proceeding in the same suit. We made such application to

the Circuit Court of Appeals. This was because the affirmance and mandate of the Circuit Court of Appeals stood in the way of a successful issue of any such application originating in the District Court although it might be carried for review to the court above. In that sense only, that is, as distinguished from an appeal or writ of error, the application or proceeding was "original" in the Circuit Court of Appeals, but certainly not in the sense that it was an "independent," "disconnected," "separate" or "new" suit.

The petition and proceeding in the Circuit Court of Appeals, which is under review on this certiorari, was entitled and made in the case No. 2163, *National Brake and Electric Company, Appellant v. Niels A. Christensen and Allis-Chalmers Company, Appellees*, which was an appeal from the District Court in Wisconsin, in which the Circuit Court of Appeals had entered its judgment affirming the decretal order of the District Court in the suit of said appellees as plaintiffs against said appellant as defendant, adjudging letters patent No. 635280 to be valid and enjoining said defendant, National Brake Company, for the term of said patent. Said petition or motion in the Circuit Court of Appeals was further entitled:

"In the matter of the application of National Brake and Electric Company for an order directing the dismissal of the bill of complaint brought against it by said plaintiffs in the United States District Court for the Eastern District of Wisconsin, In Equity No. 474, and for a stay of proceeding in the District Court until application is heard and determined."

And such was its nature and purpose. It was as clearly directed to the setting aside of said decree of the District Court sustaining the patent and to the dismissal of the bill as was the appeal which had formerly been taken in the same case to the Circuit Court of Appeals. It was

based on the ground that the decree of the District Court and the judgment of the Circuit Court of Appeals affirming the same were respectively interlocutory and not final and, therefore still in the breast of the court. Under and in view of the ruling of the Supreme Court in *In re Potts*, 166 U. S., 263, and other cases, deciding that although such a decree of a trial court be interlocutory, yet after it has been reviewed by an Appellate Court, the trial court cannot without leave of the reviewing Appellate Court proceed to enter an order or decree inconsistent with the mandate or reviewing order of the reviewing court, the application was made directly to the Circuit Court of Appeals.

The record on which it was presented was made up by stipulation by copies of everything in the instant case and in the Pennsylvania case that bore on the question presented, and the "instant case" was the suit brought by Christensen (joining the Allis-Chalmers Company) against the National Brake and Electric Company in the District Court of the Eastern District of Wisconsin, carried on appeal by the National Brake & Electric Company to the Circuit Court of Appeals for the Seventh Circuit—and there decided against our client in what we maintain was an order affirming an interlocutory decree of the District Court and, therefore, itself interlocutory, but which the plaintiff maintains was a final order of affirmance affirming a final decree of the District Court.

To treat the motion and application to the Circuit Court of Appeals as an "independent" or separate or disconnected or new suit in which the certiorari issued by this court can have no effect upon the District Court and the decree (which we contend was interlocutory) of that court in *Bill in Equity No. 474*, seems to us, therefore, with all respect to the learned judge of that court who so holds, erroneous, un-

reasonable and inadmissible. It was a substantive part of that case, and, therefore, it seems to us that the certiorari of this court issued to the Circuit Court of Appeals by its own force and vigor, operated or should operate as a supersedeas in that court until this court shall have decided the contentions involved, and that because when brought to the attention of the District Court and its officers, that proper effect and operation have been denied to it, we are justified in asking directions to allow them.

And, indeed, if the certiorari issued from this court does in the opinion of this court not *proprio vigore* act as a supersedeas in the Wisconsin District Court when brought to its attention, we ask in our petition that it should exercise its indubitable power to issue the process we pray for, to protect under the circumstances of this case, its jurisdiction and its process.

By issuing the certiorari in question, this court by implication held that the question involved and our contention in the case presented were matters "open to controversy" (Lau Ow Bew Petitioner, 141 U. S., 583), "weighty and serious" (*In re Woods*, 143 U. S., 202), and that the issuance of the certiorari was necessary "to prevent extraordinary inconvenience and embarrassment in the conduct of the case." (*American Construction Company v. Jacksonville Railway*, 148 U. S., 372.)

The case in right reason stands as though this court were considering on appeal the original decree and affirmation with the additional factor which did not exist at the time of their rendition that there has been a final decree in the Pennsylvania court holding patent 635280 void; and with the additional factor that this court, upon looking into the record, has granted the certiorari.

An elaborate and expensive accounting with an infinity



of details is going on under the direction of the District Court in Wisconsin. If the contentions of the defendant to the suit (the applicant here) for the summary stoppage of this litigation, because of developments and judicial action in another jurisdiction subsequent to the decree ordering the accounting, are correct, then the labor and time given to the further accounting will be futile and wasted. Moreover, if those contentions are correct, they strike at the very basis of the litigation, and everything done under the decree of the District Court in Wisconsin will, so far as it is possible to accomplish it, have to be undone, set aside and rectified. If the accounting is not to be stayed until this court has passed on the "weighty and serious matter"—"open to controversy" and likely to produce "extraordinary inconvenience and embarrassment," there is no line that can be drawn as to what should be stopped under that decree in the way of sequestration, execution and enforcement.

If the accounting and subsequent proceedings are to go on as uninterruptedly as if the Supreme Court had not taken this matter involving the whole merits and essence of the controversy into its consideration (precisely as though it had been carried there by appeal), we cannot see what "embarrassment and inconvenience in the conduct of the case" would be avoided. If they are stayed, such embarrassment and inconvenience may well be avoided.

If the Circuit Court of Appeals on our application had ruled the other way and held the decree of the Wisconsin court interlocutory and that of the Pennsylvania court final, had acceded to our request and instructed the District Court to vacate the reference on the order for the accounting, to vacate its decree holding 635280 a valid patent, and to dismiss the bill, or to do any one of

more of these things—and plaintiffs Christensen *et al.* had sought and obtained a certiorari from this court, there would have been no question that by that certiorari these affirmative acts which the District Court had been instructed to perform would have been stayed until this court had decided the case.

The learned judge of the District Court, when declining to stay proceedings under the present certiorari, so conceded. He placed the distinction upon the fact that in the one case the Circuit Court of Appeals would have recalled a mandate binding on the District Court—in the other it would not have done so. If this does create a distinction in the actual legal effect of the certiorari, which we cannot believe, it creates no distinction as to the expediency and justice of a stay during the consideration of the cause by this court. In essence the difference in the situation makes more expedient and just such a stay in the actual than in the hypothetical case. An order of the Circuit Court of Appeals vacating the accounting already had or dismissing the bill might, on final decision the other way by this court, be in its turn vacated and the *status quo ante* restored without expense or “extraordinary inconvenience and embarrassment.” But that is palpably not the case with the *prosecution* of the proceedings which this court may on consideration of the record now before it hold erroneous, futile and improper.

Therefore, it is that we ask, that even if this court should not hold that by its own inherent nature and force the certiorari demands a stay of the proceedings in the Eastern District of Wisconsin, it nevertheless would in its discretion direct such stay by the prohibition prayed for, or such other writ, direction or order as may be appropriate in the furtherance of justice and in the protection of its jurisdiction.

Our motion here finds authority in *Bronson v. La-Crosse Railroad Company*, 1 Wallace, 405, as in accordance with the practice of this court. And we have no doubt that if this court concludes and should indicate that the proceedings in the District Court should be stayed as was done in the Bronson case, the distinguished judge of that court would need nothing further, and that no writ or formal order would be called for.

Respectfully submitted,

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FILED  
OCT 27 1919  
JAMES D. HANER,  
CLERK.

**IN SUPREME COURT OF THE UNITED STATES.**

OCTOBER TERM, A. D. 1919.

No. **111**

**NATIONAL BRAKE & ELECTRIC COM-  
PANY,**

*Petitioner,*

**vs.**

**NIELS A. CHRISTENSEN and ALLIS-  
CHALMERS COMPANY,**

*Respondents.*

Certiorari to the  
United States  
Circuit Court of  
Appeals for the  
Seventh Circuit.

**BRIEF IN OPPOSITION TO MOTION FOR WRIT OF PRO-  
HIBITION AND STATEMENT OF FACTS  
CONCERNING SAID MOTION.**

**JOSEPH B. COTTON,  
WILLET M. SPOONER,  
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# IN SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, A. D. 1919.

No. 382.

NATIONAL BRAKE & ELECTRIC COM-  
PANY,

*Petitioner,*

vs.

NIELS A. CHRISTENSEN and ALLIS-  
CHALMERS COMPANY,

*Respondents.*

Certiorari to the  
United States  
Circuit Court of  
Appeals for the  
Seventh Circuit.

## BRIEF IN OPPOSITION TO MOTION FOR WRIT OF PROHIBITION.

### STATEMENT OF FACTS.

This is a motion by the petitioner for a writ of prohibition directed to the United States District Court for the Eastern District of Wisconsin and its Master in Chancery, and is entitled in a matter pending in this court on certiorari issued to review a judgment of the United States Circuit Court of Appeals for the Seventh Circuit denying the relief sought by an original petition filed therein by the petitioner herein as petitioner therein. That petition was filed by the petitioner August 19, 1918, in the Circuit Court of Appeals for the Seventh Circuit and set up that an accounting proceeding was pending in certain patent litigation in the District Court for the Eastern District of Wisconsin (known as Equity 474), pursuant to a decree of said District Court and a mandate of affirmance thereof by the Court of Appeals October 3, 1915, almost three years prior, and demanding that the

Court of Appeals direct the District Court not only to refuse to proceed further with said suit but to determine it on the merits in favor of petitioner and dismiss the bill because of certain judgments entered in its favor by the District Court of the United States for the Western District of Pennsylvania, and the Circuit Court of Appeals for the Third Circuit.

The suit thus sought to be ended was a suit then and now pending in the said District Court of the United States for the Eastern District of Wisconsin, known as Equity 474; the respondents are plaintiffs therein and the petitioner is defendant. It is a suit in Equity, for infringement of a grant of patent monopoly right evidenced indifferently by two patents numbered 621,324 and 655,280 respectively (called the first and second patents respectively). It appeared that the first patent when issued to respondent Christensen was inaccurate, in that it contained a fugitive sheet of drawing. He thereupon returned it to the patent office with the request that a correction thereof be made, and that was done by the office marking the patent cancelled and issuing to him a second patent identical in every respect with the first patent except only the omission of the fugitive sheet and the date and term thereof. (Rec. p. 87).

The District Court after trial by a decree, entered on August 21, 1914, found that respondent Christensen was the owner of a valid patent, that it was infringed, and ordered a perpetual injunction and an accounting (Rec. p. 39). The decree for convenience in terms referred to the second patent. The court in its opinion did not deem it material which of the patents evidenced the grant, but said:

"Whether the patent be evidenced by one, the other or both, is not, in view of the issues now here, material \* \* \* the question, upon the present state of the case, is therefore, academic only" (Rec. p. 34).

This decree was affirmed by the United States Circuit Court of Appeals on appeal (No. 2163), October 5, 1915, the court saying in its opinion:

"It is no moment which of the two patents be held to be in force. The surrender for cancellation of the one was conditioned upon the grant of a valid legal substitute. If the Commissioner of Patents was without authority to issue the second, then, in our judgment

ment, his action in cancelling the first must be deemed legally ineffective \* \* \*. This is a case of pure clerical error not of double patenting. While two documents have been issued, there is but a single grant of one and the same right to the same person" (Rec. p. 44).

A petition for certiorari was denied Feb. 21, 1916 (24 U. S., 659).

The District Judge further placed himself on record as to the basis of his decree of August 21, 1913, and the academic nature of the reference therein to the second patent, saying:

"I may say, preliminarily, that, when the substance of things is considered, there was no reason why the interlocutory decree entered by this Court should have categorically answered the question, whether Patent Number 635,280 is a valid patent. My own judgment is that the Bill did not tender that issue \* \* \*. \* \* \* It cannot be gainsaid that, had the decree of this Court recited the ultimate facts relative to the issuance of the two paper documents, and then adjudged that the grant evidenced by the identical claims of the two was valid and infringed, the decree would have been an entirely proper one, and, certainly, more in consonance with the Bill and the record in the case (Rec. p. 248).

Thereafter, and on March 1, 1916, the record was returned to the District Court with the mandate of the Circuit Court of Appeals and on that date an accounting commenced before Harry L. Kellogg, Esq., as Master and has proceeded so far that he rendered his final report therein on the 26th day of March, 1919, complete in all respects excepting only certain clerical computation of figures which he directed petitioner's accountants to do forthwith.

After this court's denial of the writ of certiorari in 1916 respondents commenced an action based on the same patents against Westinghouse Traction Brake Company. Before filing an answer therein the patents expired leaving only the questions of accounting, and in view of the fact that no notice of infringement was claimed to have been given to the Traction Brake Company and that the marking was solely under the second patent, the Court of

Appeals for the Third Circuit decided that the defendant was entitled to a judgment on the bill and answer as to which of the two patents was the valid evidence of the grant, and found in favor of the first patent, directed the case to proceed to trial in the District Court thereon, and to be dismissed as to the second patent No. 635,280 only (Rec. p. 113). No decision has ever been rendered on the merits of the first patent.

On this state of the record in these two cases an original petition was filed in the Circuit Court of Appeals for the Seventh Circuit in the nature of a motion for writ of prohibition or an application for bill of review directed to the District Court and commanding it to dismiss the accounting then pending in the aforesaid original case, Equity No. 474, upon the merits because of an alleged conflict between the judgment of the Court of Appeals in the Third Circuit and the Court of Appeals in the Seventh Circuit, claiming that the Third Circuit had held that the second patent was void, that the proceedings in the Seventh Circuit were founded solely thereon, and that they should therefore fall because of *res adjudicata*. This claim was based on the allegation of privity between the defendants in the two actions, which was and is strenuously denied and which question has never been determined by either the District Court or the Court of Appeals.

An answer was filed to this petition and the issues made thereon were submitted to the Court of Appeals upon a record consisting of excerpts from pleadings, decrees, testimony, etc., in the cases in both the Seventh and Third Circuits, and it is that record which has been transmitted to this court on the writ of certiorari.

This petition for determination of the litigation was made about three years after the expiration of the term at which the affirmance of the decree of August 21, 1914, was made; and no part of that proceeding commenced in the District Court and known as Equity 474 was or for years had been pending in the Court of Appeals.

Since the denial of this original petition, petitioner has applied to the District Court in Wisconsin for an order staying proceedings which has been refused. It has also applied to the Court of Appeals for the Seventh Circuit with a similar result. Inasmuch as reference has

been made in the petition and annexed brief to the opinion of the District Judge on this motion, we take the liberty of annexing a copy thereof as Appendix A to this brief.

## OUTLINE OF ARGUMENT.

1. The judgment of the Circuit Court of Appeals to review which this court issued its writ of certiorari, was rendered in a suit commenced in that court by original petition and pending therein on petition, answer, and stipulated record.

2. A writ of certiorari operates to remove the record in the suit and to the court to which addressed and therefore incidentally acts as a stay of proceedings; but such stay is limited to the court and suit the record in which is sent up in the return to the writ.

3. The return to the writ of certiorari issued by this court brought up for review the petition, answer, and record in the Court of Appeals in the original proceeding therein and that alone.

4. As the accounting proceedings now by this motion sought to be stayed never were pending in the Circuit Court of Appeals, this court secured no jurisdiction thereover and consequently the writ does not operate as a stay therein.

5. The proper method to obtain a review of the decree of the Court of Appeals was by appeal to this court as that decree was not made final by the provisions of the Judicial Code. Certiorari will not lie thereto and should therefore be dismissed.

6. A writ of prohibition or mandamus will not lie to stay the completion of patent accounting proceedings merely because a question of law which may ultimately effect the accounting proceedings is pending before this court for decision on certiorari.

7. The extraordinary remedy of prohibition will lie only to review want of jurisdiction in a lower court. It will not lie to review the exercise of a judicial function by an inferior tribunal, nor is a motion of this kind proper.

8. Petitioner will not be benefitted by the staying of the accounting, but on the contrary, respondents will be irreparably damaged thereby.

## ARGUMENT.

## I.

THE JUDGMENT OF THE CIRCUIT COURT OF APPEALS TO REVIEW WHICH THIS COURT ISSUED ITS WRIT OF CERTIORARI, WAS RENDERED IN A SUIT COMMENCED IN THAT COURT BY ORIGINAL PETITION AND PENDING THEREIN ON PETITION, ANSWER AND STIPULATED RECORD.

The proceeding in the Circuit Court of Appeals for the Seventh Circuit to which the writ of certiorari from this court was addressed was not pending on a writ of error or appeal of any kind or description, but was an original proceeding commenced therein by original petition praying a judgment directing the District Court of Wisconsin to cease further litigating a cause then pending in said District Court on the claim that all the issues therein had been disposed of by a judgment rendered in the Third Circuit. The issues were framed by pleadings made up in that court, to-wit: petition and answer, both duly verified, and the record was made up of excerpts from the proceedings in the divers litigations claimed to be in conflict. No part of the record was made up by transmittal to that court of the record in any cause pending in the District Court in Wisconsin.

An analysis of the petition addressed to the Court of Appeals shows conclusively that it initiated an original and independent proceeding.

The petitioner asked the court for an order directing the District Court to dismiss the aforesaid suit pending below, on the following grounds: "This motion is based upon the ground that all of the issues in the case have been fully and finally determined and adjudicated in said defendant's favor by the United States Circuit Court of Appeals for the Third Circuit and by the final decree of the District Court for the Western District of Pennsylvania in the suit between the said plaintiffs and the Westinghouse Traction Brake Company, with which company this said defendant was in privity" (Rec. p. 2).

The prayer in the petition is similarly framed, reciting:

"This applicant and petitioner moves and prays  
\* \* \* that this Honorable Court take jurisdiction \* \* \*

hereof and inquire into and determine the status of said case as herein outlined, and as to the force and effect of said final judgment and order in the said suit in the District Court for the Western District of Pennsylvania, and find and adjudge that the same was and is a valid and final adjudication against said patent, No. 635,280, and that the said patent last mentioned was and is invalid and void; (similar allegations that the first patent had been adjudged void in equity 474) \* \* \* and that this defendant is entitled thereon to a final decree in said suit in the District Court for the Eastern District of Wisconsin, dismissing said suit for want of equity; \* \* \* (Rec. p. 5).

The prayer continues and asks that necessary writs of certiorari, etc., be issued to carry out the demands of the petitioner.

The Court of Appeals for the Seventh Circuit took the same view of the petition that we do and in their opinion they state:

"And now petitioner comes before us *in an original proceeding*, asking that we recall our mandate, vacate our decree, find that the Pennsylvania decree is *res adjudicata* in this case, and thereupon direct the vacation of the Wisconsin decree and the dismissal of the bill on the merits" (Italics ours) (Rec. pp. 256-7).

The learned counsel for petitioner in their petition to this court for the writ of certiorari took the same position, for that petition states the proceeding was an "original proceeding entitled as above, *National Brake & Electric Company, Petitioner, v. Niels A. Christensen and Allis-Chalmers Company, Respondents*: An application for an order directing dismissal of the bill brought in the United States District Court for the Eastern District of Wisconsin." (Petition p. 10).

It is further stated in the petition "that the said Circuit Court of Appeals in denying the said application or motion placed its decision solely on the position that for the purposes of determining the rights of the parties and of constituting the basis of a plea on claim of *res adjudicata* the decree \* \* \* was a final decree and not an interlocutory decree." (Petition p. 6.) To the same effect, see allegations p. 8 thereof. Furthermore it is set forth in the said petition



that no question of jurisdiction or practice arises because "the Circuit Court of Appeals took jurisdiction of the application, considered the same as an original proceeding \* \* \* and decided the same as before set forth solely on the question of the final or interlocutory nature of the decree of the Wisconsin District Court." (Petition p. 9.)

On a motion for stay of proceedings in the accounting case in the Eastern District of Wisconsin made to District Judge Geiger the question was sharply presented, elaborately argued, and the Judge reached the same conclusion, holding that the writ of certiorari did not stay the proceedings because the writ issued to and reviewed only the independent suit commenced and pending solely in the Court of Appeals. See Appendix A.

The petition was lodged in the Court of Appeals about three years after it had rendered its decision and sent down its mandate affirming the validity of respondent Christensen's patent, and the term had long since expired. It must be conceded that the power of the Court of Appeals over its mandate expired with the expiration of the term at which it was rendered:

*Waskey et al. v. Hammer, etc. Co.*, 179 Fed., 273 (C. C. A., 9th Cir.)

*Westinghouse T. B. Co. v. Orr*, 252 Fed., 592 (C. C. A., 3rd Cir.)

and therefore the Court of Appeals could entertain the petition, if at all, solely as an original proceeding, not a proceeding in aid of its appellate jurisdiction, for that had been exhausted, neither was it in aid thereof but was contrary thereto and was therefore addressed to it originally.

Neither does the nature of the petition to the Court of Appeals and the proceedings instituted thereby depend for its character upon the finality or lack of finality of the previous decree and mandate of that Court. Whether the decree be final or interlocutory is not material in considering the nature of the proceeding. In either event jurisdiction over the decree was lost by the expiration of the term and equally in either event the relief prayed for was based not on the record in the suit but facts *dehors* that record. The petition therefore was in the nature of an application for a bill of review.

The point is attempted to be made by counsel for petitioner because they attached to the title to the petition "No. 2163," which was the number given by the Court of

Appeals to the previous appeal in the case. We submit that the mere caption or title placed upon the petition by petitioner itself, cannot change the inherent nature of the proceeding. It is like Lincoln's famous saying about the lamb with five legs which was extant if the tail was called a leg, that "calling it a leg don't make it a leg." If any reliance is to be made upon captions and titles we think the only conclusion to be deduced therefrom is in our favor in that the authority which is petitioner's sole reliance—*In re Potts*, 166 U. S., 263, was not entitled in the action, to-wit: *Potts v. Crager*. That was as this is, an independent proceeding addressed to an appellate tribunal in the nature of a request for leave to file a bill of review and based upon facts happening *puis darrein continuance*.

## II.

A WRIT OF CERTIORARI OPERATES TO REMOVE THE RECORD IN THE SUIT AND TO THE COURT TO WHICH ADDRESSED AND THEREFORE INCIDENTALLY ACTS AS A STAY OF PROCEEDINGS: BUT SUCH STAY IS LIMITED TO THE COURT AND SUIT THE RECORD IN WHICH IS SENT UP IN THE RETURN TO THE WRIT.

It is elementary that the function of the writ of certiorari is to remove the record from the court to which addressed to the court issuing the writ. This was done by the return to the writ. When the record is removed from the court it follows that that court loses jurisdiction of that matter in so far as it is dependent upon the record. A court cannot proceed without a record before it and when the record is transmitted to a higher court the jurisdiction of the lower court is for the time being transferred to and vested in the appellate tribunal.

As a necessary consequence of this rule the power of the lower court over the particular proceeding is suspended and therefore the writ of certiorari has the incidental effect of a stay.

The result of the granting of the certiorari was to remove from the Court of Appeals the record then in that court on the original petition, and we frankly concede that it had the effect of a supersedeas in that proceeding and in that court for the reason that it removed the record therefrom and transferred it to this court. The authorities abundantly support this proposition and the reason underlying it. Thus in

*Ewing v. Thompson*, 43 Pa. St., 372,

the court, speaking through Judge Strong, afterwards Justice of the United States Supreme Court, said:

"On the same day a *certiorari* was sued out of this court by the complainant to remove the record of the contest in the court of Quarter Sessions, and it was served. The effect of that writ was to stay further proceedings in the court below, and to remove the record of the case into this court. That such is the effect of a *certiorari*, except in cases where the legislature has made a different rule, is the doctrine of all the cases. It is not itself a writ of *supersedeas*, but it operates as one by implication. Originally in fact, and now always in theory, at least, it takes the record out of the custody of the inferior court, and leaves nothing there to be prosecuted or enforced by execution."

Also in

*Neuman v. State*, 76 Wis., 112,

it has been held:

"The effect of the issuing and serving of the writ is not to open or vacate the judgment or action of the inferior tribunal, like an appeal giving a new trial upon the merits, but merely to remove the records thereof to the superior court for inspection, and thus enable such court to determine whether the inferior tribunal had the rightful jurisdiction or the rightful authority to render such judgment or perform such act."

In

*Commonwealth v. Kistler* (Pa.), 24 Atl., 216,

the court said:

"The writ of *certiorari*, as said by Strong, J., in *Ewing v. Thompson*, 43 Pa. St., 372, 'is not in itself a writ of *supersedeas*, but it operates as one by implication,' because it takes the record out of the custody of the inferior court, and leaves nothing there upon which to proceed. If anything remains outstanding, and not removed, then action upon such matter is not superseded. \* \* \* *The suspensory power of the writ, therefore, arising merely by consequence, from the removal of the record, it operates only on the court and parties directly connected with the proceedings. Action by other parties and upon collateral matters is not interfered with. \* \* \**"

The effect of a writ of *certiorari* therefore is, by re

moving the record from the court to which addressed, to tie its hands and prohibit it from taking any further action therein. Matters in that court and in that proceeding therein are to remain *in statu quo ex necessitate rei*. That rule has been distinctly laid down and applied in a case almost if not entirely analogous to the case at bar in the decision so strongly relied on by petitioner in the proceeding instituted by it by petition in the District Court (before Judge Geiger), to-wit:

*Waskey v. Hammer* 179 Fed., 273 (C. C. A., 9th Cir.)

That involved an action of trespass commenced in the District Court of Alaska. An appeal was taken to the Circuit Court of Appeals and after the rendition of its judgment and issuance of its mandate a writ of certiorari was granted by the Supreme Court from the decision of the Court of Appeals. A motion was then made in the Court of Appeals asking that it recall its mandate so as to vacate the proceedings in the District Court. The court held that it had no power to do this, that the granting of the certiorari operated to stay the hand of the Court of Appeals and it could not issue any order to the District Court effecting the litigation in any way whatever.

There is this distinction between the case cited and this case as regards the proceedings in the court below. In the Waskey case the matter was pending in the Court of Appeals on an appeal from the District Court decree and that decree was therefore before the Court of Appeals for review, consequently the writ being addressed to the Court of Appeals having that decree *in gremio*, reached the decree itself and therefore stayed it everywhere. In the case at bar the certiorari was issued in an original proceeding commenced in this court by the filing of a petition and the decree of the District Court under which the accounting is proceeding was not before this court. On the contrary, this court was asked to *take* jurisdiction over that decree and refused to do so. The distinction is clear and decisive.

That being so the certiorari operated to remove from the Court of Appeals to this court merely the record of that original proceeding and did not disturb or in any wise affect the record pending in the District Court. This question was disposed of by the Circuit Court of Appeals for the Seventh Circuit on an application of the petitioner for an order from that court staying the accounting which

they denied for want of jurisdiction and for the aforesaid reasons. See also

*Ex parte Wagner*, 39 Supt. Ct. Rep., 317;

—U. S.,— (Decided April 14/19.)

### III.

**THE RETURN TO THE WRIT OF CERTIORARI ISSUED BY THIS COURT BROUGHT UP FOR REVIEW THE PETITION, ANSWER, AND RECORD IN THE COURT OF APPEALS IN THE ORIGINAL PROCEEDING THEREIN AND THAT ALONE.**

The record in the matter now pending before this court on certiorari was, as heretofore stated, made up by verified petition, answer, and record. That and that alone was sent to this court in obedience to the writ of certiorari. The pleadings, etc., on that proceeding are set out, Record p. 1 et seq., and the writ issued by this court referred to a suit

“in which National Brake & Electric Company is petitioner and Niels A. Christensen and Allis-Chalmers Company are respondents,”

and directed that court to remit “the record and proceedings in said cause” (Rec. p. 265).

The accounting proceedings now sought to be reached by this motion did not form a part of said proceedings in the Court of Appeals, and they were pending solely before the District Court. That fact was clearly brought out by the Court of Appeals for the Seventh Circuit when petitioner requested that court to issue a stay to the District Court pending the hearing on the aforesaid certiorari. That was denied because it had not pending before it the accounting proceedings or any part thereof. The accounting had been strenuously litigated for about four years since the rendition by the Court of Appeals of its opinion affirming the validity of the patent on October 5, 1915 (229 Fed., 564), (Rec. p. 41) and the voluminous record therein made up was not lodged with the Court of Appeals nor did it as such form a part of the record therein; nay more, the accounting proceeding continued to be litigated during all the time the original petition was pending in the Court of Appeals and petitioner herein even took steps therein after the issuance of this writ of certiorari.

The record in the accounting proceeding has at all times been and now remains with the District Court. It was never sent to the Circuit Court of Appeals and has never been and is not now in this court, consequently this court has as yet no jurisdiction thereover.

#### IV.

AS THE ACCOUNTING PROCEEDINGS NOW BY THIS MOTION SOUGHT TO BE STAYED WERE NEVER PENDING IN THE CIRCUIT COURT OF APPEALS, THIS COURT SECURED NO JURISDICTION THEREOVER AND CONSEQUENTLY THE WRIT DOES NOT OPERATE AS A STAY THEREIN.

From what we have shown it is apparent that the accounting proceedings always have been and still are pending solely in the District Court for the Eastern District of Wisconsin. Neither that suit, nor any part thereof, was ever transferred to the Circuit Court of Appeals for the Seventh Circuit and consequently none of the record of that proceeding ever found its way to this court. It follows therefore *a fortiori* that this court has secured no jurisdiction thereover and that the writ of certiorari does not run thereto. Consequently the effect of the writ as a stay of proceedings does not apply thereto as those proceedings are not sought to be here reviewed. The only proceedings sought to be reviewed by this writ are as stated by petitioner, the petition of the Court of Appeals on the questions of general law, i. e., finality of its prior order and mandate, and the effect of the plea of *res adjudicata*. No accounting proceedings are involved and no patent questions appear. They are purely questions of practice and of general law.

The question of the effect of the writ upon the extraneous accounting proceedings in an independent court was presented to and passed upon by Judge Geiger in his opinion heretofore adverted to (Appendix A) who analyzed the proposition and disposed of it as follows:

"It may be conceded as quite elementary that ordinarily the issuance of a writ of certiorari carries with it a supersedeas. But I cannot escape the conviction that the judgment which is the subject of the present proceedings in this court, is not at all af-

fects, either by the petition filed in the Circuit Court of Appeals, nor by the certiorari issued by the Supreme Court. Such petition, filed three years after the Circuit Court of Appeals had exhausted its appellate jurisdiction,—and the latter was the only jurisdiction ever invoked,—is clearly of the nature of an original proceeding, and, in my judgment, particularly in view of the refusal of the Court of Appeals to grant the relief prayed for, reaches neither the judgment nor this court.

• • • • •

It has seemed to me that whatever the character of the petition filed in the Court of Appeals, the situation in this court so far as affected by that petition and its attempted review by the Supreme Court, is no different than if the declared purpose had been to obtain leave of the Court of Appeals to file a supplemental bill in the nature of a bill of review in this court,—based upon the proceedings in the Third Circuit. If in such situation the Appellate Court refused leave, it could hardly be said that a certiorari to it ruling reached the judgment which, under the original mandate then rested in the District Court for exclusive enforcement."

The logic of this analysis is we submit ineluctable.

## V.

**THE PROPER METHOD TO OBTAIN A REVIEW OF THE DECREE OF THE COURT OF APPEALS WAS BY APPEAL TO THIS COURT AS THAT DECREE WAS NOT MADE FINAL BY THE PROVISIONS OF THE JUDICIAL CODE. CERTIORARI WILL NOT LIE THERETO AND SHOULD THEREFORE BE DISMISSED.**

Where the decree of the Circuit Court of Appeals is not made final by the terms of The Judicial Code it is reviewable by this court by appeal. Section 241 of the Code provides:

"Sec. 241. In any case in which the judgment or decree of the circuit court of appeals is not made final by the provisions of this Title, there shall be a right an appeal or writ of error to the Supreme Court



of the United States where the matter in controversy shall exceed one thousand dollars, besides costs."

The cases in which decrees of the Court of Appeals are made final are found in Section 128 of The Judicial Code, portions of which are:

"Sec. 128. The circuit courts of appeals shall exercise appellate jurisdiction to review by appeal or writ of error final decisions in the district courts, \* \* \* ; and, except as provided in sections two hundred and thirty-nine and two hundred and forty, the judgments and decrees of the circuit courts of appeals shall be final in all cases in which the jurisdiction is dependent entirely upon the opposite parties to the suit or controversy being aliens and citizens of the United States, or citizens of different States; also in all cases arising under the patent laws, under the copyright laws, under the revenue laws, and under the criminal laws, and in admiralty cases."

Certiorari will lie only to review "the judgment or decree of the Circuit Court of Appeals (in cases wherein it is made final by the provisions of this Title."

(Sec. 240 The Judicial Code.) That section provides:

"Sec. 240. In any case, civil or criminal, in which the judgment or decree of the circuit court of appeals is made final by the provisions of this Title, it shall be competent for the Supreme Court to require, by certiorari or otherwise, upon the petition of any party thereto, any such case to be certified to the Supreme court for its review and determination, with the same power and authority in the case as if it had been carried by appeal or writ of error to the Supreme Court."

An analysis of the petition addressed to the Court of Appeals shows that it raises two questions only: (1) the finality or interlocutoriness of its previous judgment, and (2) the effect of certain judgments in the third circuit as *res adjudicata*. These are all questions of general law. They are not even patent questions. That being so the proceeding is not "a case arising under the patent laws" within the purview of section 128 of The Judicial Code and therefore the decree of the Court of Appeals was not made final by the provisions of the code. Consequently a writ of certiorari is not the proper remedy, but appeal is.

That certiorari will not lie to review the judgment

from which an appeal may be taken is established by the following cases:

*Denver v. New York Trust Co.*, 229 U. S., 123, 133.

*Carroll v. O'Brien*, 199 U. S., 89, 101.

*Dana v. Dana*, — U. S., — (39 Sup. Ct. Rep. 449) (June 2, 1919).

That controversies raising questions of practice and *res adjudicata* only, even though they may ultimately influence patent litigation, are not "cases arising under the patent laws" is also equally well settled.

*Pratt v. Paris Gas Lt., etc. Co.*, 168 U. S., 23, 259.

*Cook v. Beecher*, 217 U. S., 497.

*New Marshall Engine Co. v. Marshall Engine Co.*, 223 U. S., 473.

For these reasons we submit that the writ of certiorari was not the proper remedy for petitioner to elect to bring this cause before this court, and therefore it is without jurisdiction thereover and the writ should be dismissed.

Simultaneously with the service of this brief a printed motion to dismiss for want of jurisdiction and brief in support thereof has been served and filed in accordance with the provisions of Subdivision 4 of Rule 6, so that that matter is expending.

## VI.

A WRIT OF PROHIBITION OR MANDAMUS WILL NOT LIE TO STAY THE COMPLETION OF PATENT ACCOUNTING PROCEEDINGS MERELY BECAUSE A QUESTION OF LAW WHICH MAY ULTIMATELY EFFECT THE ACCOUNTING PROCEEDINGS IS PENDING BEFORE THIS COURT FOR DECISION ON CERTIORARI.

Mandamus or prohibition will not lie to compel the District Judge to stay an accounting proceeding therein because of the pendency of a writ of certiorari.

Respondents rely in support of this proposition upon the recent decision of this court in

*Ex parte Wagner*, 39 Sup. Ct. Rep., 317, — U. S., —. (Decided April 14/19.)

That was a case almost on all fours with the present

case. The present action was begun in 1906. The decree holding the patent valid and infringed was affirmed by the Court of Appeals October 5, 1915 (Rec. p. 41) and petition for certiorari was denied by this court February 1, 1916. (241 U. S., 659.) The record was transmitted to the Honorable Harry L. Kellogg on March 4, 1916, and he immediately commenced the accounting proceeding in which a great mass of testimony has been taken, with the result that on March 26, 1919, he filed his final report complete in all respects excepting only as to certain clerical computation which he directed to be done, and which could have been done ere this had not petitioner stopped the work thereon.

It was held in the *Matter of Wagner, supra*, that mandamus would not be granted by this court to stay the present accounting where the District Court was called upon and did determine judicially the scope of the decision of the Circuit Court of Appeals and forecast as best it might the scope and effect of the decision of this court upon the rights of the parties and exercised its discretion to permit the continuance of an accounting which had been strenuously litigated for four years. The facts could be closer than they are to the case at bar. The District Court has been called upon to exercise its judgment and discretion as to all of these things and has passed upon them as shown in his opinion (Appendix A) and what is said in the *Wagner* case should control.

"Mandamus is an extraordinary remedy, to be resorted to for the purpose of securing judicial action, not for determining in advance what that action shall be. \* \* \* It may not be resorted to \* \* \* for the purpose of controlling minor orders made in the conduct of judicial proceedings, and the fact that the result of litigation may possibly be such that interlocutory proceedings taken may not prove of value is not a sufficient reason for calling the writ into use for the purpose of forbidding such proceedings even though the cost of them cannot be recovered from the opposing party or even though the order cannot be reversed on error or appeal."

## VII.

THE EXTRAORDINARY REMEDY OF PROHIBITION WILL LIE ONLY TO REVIEW WANT OF JURISDICTION IN A LOWER COURT. IT WILL NOT LIE TO REVIEW THE EXERCISE OF A JUDICIAL FUNCTION BY AN INFERIOR TRIBUNAL, NOR IS A MOTION OF THIS KIND PROPER.

As we have heretofore shown the Court of Appeals, and therefore *a fortiori* this court, never secured jurisdiction over the accounting proceeding pending in the District Court and the record therein has never been removed therefrom or affected by any writs or processes of either of the appellate tribunals. Therefore the accounting is not now pending before this court and it follows that this court has no power to issue a writ of prohibition to the District Court because the issuance of such a writ would not be in aid of its appellate jurisdiction.

*In re Massachusetts*, 197 U. S. 482,

*In re Glaser*, 198 U. S., 161.

This court is limited by Sec. 234 of The Judicial Code to issue writs of prohibition as original process in admiralty and maritime cases only.

*Ex parte Graham*, 10 Wall. 541.

This court has laid down the rule in no uncertain terms that a writ of prohibition is never to be issued unless it clearly appears that the inferior court is about to exceed its jurisdiction. It cannot be made to serve the purpose of a writ of error or certiorari to correct mistakes of that court in deciding any question of law or fact within its jurisdiction.

*Re Detroit River Ferry Co.*, 104 U. S., 519.

*Moran v. Sturges*, 154 U. S., 256.

It will issue to review cases of want of jurisdiction of either the subject-matter or of the parties—in such cases only.

*Morrison v. District Court*, 147 U. S., 14.

There is nothing in the decision relied on by counsel for petitioner,

*Bromson v. La Crosse, etc. Ry. Co.*, 1 Wall. 405,

that in any wise conflicts with the aforesaid propositions. In that case this court intimated that it might issue a writ if the District Court further continued to act in a proceeding after it had lost jurisdiction thereover because

of the creation of the Circuit Court and the transfer to it of the jurisdiction of the subject-matter previously held by the District Court. It further appears in that case that the appellant who had taken an appeal from a decree also sought to enforce it pending such appeal, a manifestly inconsistent position. The decision, however, is primarily and fundamentally based on a total want of jurisdiction by the District Court.

It is further respectfully submitted that if this court is to entertain this proceeding at all it should be done on verified petition filed only after leave of court has been obtained and a hearing had after rule to show cause has been entered herein, and none of these prerequisites have been taken.

### VIII.

**PETITIONER WILL NOT BE BENEFITTED BY THE STAYING OF THE ACCOUNTING, BUT ON THE CONTRARY, RESPONDENTS WILL BE IRREPARABLY DAMAGED THEREBY.**

The equities of the situation are all with respondents. The accounting is all but completed. The expense of the accounting work necessary to complete the computations is small.

In view of the decisions in force in the seventh circuit, e. g.,

*Western Glass Co. v. Schmertz*, 226 Fed., 730,  
738 (C. C. A., 7th Cir.)

*Schmertz v. Western Glass Co.*, 236 Fed., 744  
(C. C. A., 7th Cir.)

respondent's right to recover interest on the award of profits is extremely doubtful until the computation has been completed and embodied in the master's report. This loss of interest is great and irreparable. The figures of the accountants so far as worked out in conformity with the master's ruling indicate that the award is in the neighborhood of \$450,000, and this is for profits only. Interest on this amount is approximately \$87 per day and respondents are in grave danger of losing, nay, already for many days have lost, this interest which in equity and good conscience belongs to them, because of the dilatory tactics of petitioner in preventing the completion of the work, and for this loss respondents are apparently remediless.

The situation as regards the merits of the granting or withholding of the stay as affecting the accounting is exactly the same situation that was presented to both the District Court and the Circuit Court of Appeals on the motions for stay. They weighed in the scales against the cost of completing the accounting to the petitioner, the immense and irreparable loss of interest that would accrue to respondents, and could come to but one conclusion.

There is this difference: that at present the accounting is practically complete before the master, entirely in fact except the computation to be done by certain accountants, whereas at the time these motions were made below there was months of litigation yet to be completed.

We submit that since both lower courts have been called upon to exercise their discretion in this matter and have decided adversely to petitioner, that this court should not on a summary application for an extraordinary writ overrule their decisions.

## IX.

### CONCLUSION.

For the reasons stated respondents respectfully submit that the only proceeding of which this court has jurisdiction was the suit commenced in the Court of Appeals by original petition, that it is not a case arising out of the patent laws, that no emergency has been shown affecting petitioner, that the writ of certiorari is not *ipso facto* a stay to the District Court, and that the equities are all with respondents.

Respectfully submitted,

JOSEPH B. COTTON,

WILLET M. SPOONER,

WILLIAM R. RUMMLER,

LOUIS QUARLES,

*Solicitors and of Counsel for Respondents.*

## APPENDIX "A".

OPINION OF JUDGE GEIGER REFUSING STAY.  
 UNITED STATES DISTRICT COURT.  
 Eastern District of Wisconsin.

Neils A. Christensen, *et al.*  
*Plaintiffs,*

*vs.*

National Brake & Electric Company, September 19, 1919.

*Defendant.*

The defendant has made an application for a stay of further proceedings under the judgment in this case, because the Supreme Court has granted a certiorari to the Circuit Court of Appeals to review the latter's refusal to entertain a petition there filed. I shall state briefly my reasons for denying the motion:

The judgment in this case was appealed to the Circuit Court of Appeals, affirmed, and upon application, the Supreme Court declined to grant a certiorari. Three years later an application was made in this court for leave to amend the defendant's answer by setting up a contrary adjudication, said to be final, in the Third Circuit, and praying for a dismissal of the bill and pending accounting proceedings before the master. Such motion was denied.

Thereupon the defendant filed in the Circuit Court of Appeals for this circuit, a petition asking that the mandate issued upon appeal three years ago be recalled, vacated, and directions given to this court for dismissal of the bill and pending accounting proceedings. The Circuit Court of Appeals denied such petition, and the Supreme Court has granted a certiorari to review such ruling. It is now urged that because of the issuance of such certiorari, this court should stay the proceedings pending determination in the ultimate court.

It may be conceded as quite elementary that ordinarily the issuance of a writ of certiorari carries with it a supersedeas. But I cannot escape the conviction that the judgment which is the subject of the present proceedings in this court, is not at all affected, either by the petition filed in the Circuit Court of Appeals, nor by the certiorari issued by the Supreme Court. Such petition, filed three years after the Circuit Court of Appeals had exhausted its appellate jurisdiction,—and the latter was the only jurisdiction ever invoked,—is clearly of the na-



ture of an original proceeding, and, in my judgment, particularly in view of the refusal of the Court of Appeals to grant the relief prayed for, reaches neither the judgment nor this court.

The learned counsel for the defendant, in attempting to meet this view of the case, says:

"If the Circuit Court of Appeals on our application had ruled the other way, had held the decree of the Wisconsin Court interlocutory, and that of the Pennsylvania Court final, had acceded to our request and instructed this court to vacate the reference or the order for the accounting, to vacate its decree holding 635280 a valid patent, and to dismiss the bill, or to do any one or more of these things, and the plaintiffs Christensen, *et al.*, had sought and obtained a certiorari from the Supreme Court, could there be any question that by that certiorari these affirmative acts, which this court had been instructed to perform, would have been stayed until the Supreme Court had decided the case? What is the difference in reason and essence between this and the proper effect of a certiorari obtained by us to stay proceedings on the account and in subsequent steps?"

In my judgment, the very clear difference is that in the one case the jurisdiction of the Appellate Court whether it be original or otherwise, would in fact be exerted against the decree in process of enforcement by this court, and the judgment of the Appellate Court would reach this court as much as any process ever could. But the Court of Appeals declined not only to so direct this court, but declined to do the very thing which was essential, namely, to recall its own mandate which is still operative on this court; and that is true whether the decree is final or interlocutory. In such situation, the certiorari from the Supreme Court to the Circuit Court of Appeals affects merely the refusal of the latter, in an original proceeding to take to its jurisdiction the judgment *not then before it*. It has refused to do the thing prayed for,—recall its former mandate, now binding and operative against this court. It has seemed to me that whatever the character of the petition filed in the Court of Appeals, the situation in this court so far as affected by that petition and its attempted review by the Supreme Court, is no different than if the declared purpose had been to obtain leave of the Court of Appeals to file a st

plemental bill in the nature of a bill of review in this court,—based upon the proceedings in the Third Circuit. If in such situation the Appellate Court refused leave, it could hardly be said that a certiorari to its ruling reached the judgment which, under the original mandate then rested in the District Court for exclusive enforcement. This distinction would seem to be observed in *Waskey v. Hammer*, 179 Fed., 273, where, notwithstanding the refusal of the Appellate Court to recall its mandate, the certiorari of the Supreme Court was expressly *directed* to and therefore brought up *the very judgment* which had been the subject of the *appellate jurisdiction*; and so long as the jurisdiction of the Supreme Court was thus exerted, the certiorari commanded respect as a super-seedeas from every court where such judgment was lodged for enforcement.

For this reason the motion for a stay will be denied.

(Signed) F. A. GEIGER,

*District Judge.*

Filed September 19, 1919.

Office Supreme Court, U. S.  
P. O. B. 12

MAY 24 1919

JAMES D. WARREN

CLERK

IN THE  
**Supreme Court of the United States.**

OCTOBER TERM, A. D. 1918.

No. 1 **10473** **111**

NATIONAL BRAKE & ELECTRIC COMPANY,  
*Petitioner,*

*vs.*

NIELS A. CHRISTENSEN AND ALLIS-CHALMERS  
COMPANY,  
*Respondents.*

PETITION FOR WRIT OF CERTIORARI TO THE UNITED  
STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH  
CIRCUIT

and

BRIEF IN SUPPORT THEREOF.

THOMAS B. KERR,  
CHARLES A. BROWN,  
*Solicitors,*  
JOHN S. MILLER,  
EDWARD OSGOOD BROWN,  
*Of Counsel,*  
*For Petitioner.*



IN THE

**Supreme Court of the United States.**

OCTOBER TERM, A. D. 1918.

No. \_\_\_\_\_

---

NATIONAL BRAKE & ELECTRIC COMPANY,

*Petitioner,*

*vs.*

NIELS A. CHRISTENSEN AND ALLIS-CHALMERS  
COMPANY,

*Respondents.*

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**NOTICE.**

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*Niels A. Christensen and Allis-Chalmers Company,  
or Their Solicitors:*

Please take notice that upon a certified copy of the  
manuscript of record herein we shall present the petition  
for writ of certiorari and the brief in support thereof  
hereto annexed, to the Supreme Court of the United  
States at the Capitol in the City of Washington, District  
Columbia, on the 2nd day of June, A. D. 1919, at the

opening of the court on that day or as soon thereafter as counsel can be heard.

We shall request the clerk of the Supreme Court to make such presentation and submission for us.

May 17, 1919.

THOMAS B. KERR,  
CHARLES A. BROWN,  
*Solicitors,*

JOHN S. MILLER,  
EDWARD OSGOOD BROWN,  
*Of Counsel,*  
*For Petitioners.*

To Joseph B. Cotton,  
Willett M. Spooner,  
Louis Quarles,  
William R. Rummel,  
*Counsel for Respondents.*

Service of the foregoing petition and brief in the above  
entitled cause is admitted on this \_\_\_\_\_ day  
May, A. D. 1919.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
*Solicitors for Respondents*

IN THE  
**Supreme Court of the United States.**

OCTOBER TERM, A. D. 1918.

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NATIONAL BRAKE & ELECTRIC COMPANY,  
*Petitioner,*

*vs.*

NIELS A. CHRISTENSEN AND ALLIS-CHALMERS  
 COMPANY,  
*Respondents.*

---

PETITION FOR CERTIORARI.

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A PETITION FOR A WRIT OF CERTIORARI FROM THE SUPREME COURT OF THE UNITED STATES TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT IN THE APPLICATION OF NATIONAL BRAKE AND ELECTRIC COMPANY TO SAID CIRCUIT COURT OF APPEALS FOR AN ORDER DIRECTING DISMISSAL OF BILL IN THE ABOVE ENTITLED CAUSE BROUGHT IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF WISCONSIN, ETC.

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*To the Honorable The Chief Justice and Associate Justices of the Supreme Court of the United States:*

Your petitioner, National Brake & Electric Company, represents:

*First.* That it was the petitioner in the Circuit Court of Appeals for the Seventh Circuit in the application above named, and was denied relief by the said Circuit Court of Appeals in a decision made on a single proposition of law of great importance to all persons concerned in rights accruing under patents and considered in patent litigation—namely:



That on a question of prior adjudication or estoppel a decree sustaining a patent, finding infringement, granting an injunction during the life of the patent, and referring the case to a master to take and report an account of damages and profits and reserving decision on said damages and profits and all further questions until the coming in of such report, is not an interlocutory but a final decree.

That as your petitioner is advised by counsel and believes, the said proposition is a reversal of a hitherto universally received rule.

*Second.* The necessary facts for the purpose of this petition are stated in the opinion of the court by Baker, Circuit Judge (see page —, *infra*), appended as an exhibit to the brief filed and bound herewith, as follows:

"The respondents sued petitioner in the District Court for the Eastern District of Wisconsin for alleged infringement of Patent No. 635280 issued October 17th, 1899 to N. A. Christensen for a combined pump and motor."

"On issues joined as to the ultimate rights of the parties, the District Court heard and considered all the evidence each side had to offer respecting the ownership, validity and infringement of the patent and thereupon

\*The bill of the plaintiffs prayed.

*First.* That the defendant should be decreed to account for and pay to the plaintiffs, the profits or income derived from the alleged violation of the plaintiffs rights, and that upon entering the decree against the defendant for infringement, the court might proceed to assess or cause to be assessed under its direction in addition to the unlawful profits or income to be accounted for by the defendants, damages plaintiffs had sustained by reason of such infringement, and that the court might increase the actual damages so assessed to a sum equal to three times the amount of such assessment and

*Secondly.* For a writ of perpetual injunction against the further manufacture, use or sale of the said patented improvements by the defendants and

*Thirdly.* That the infringed devices or apparatus in the possession or use of the defendants might be decreed to be destroyed or delivered to the plaintiffs for that purpose.

adjudged and decreed that respondents were the owners of a valid patent which was being infringed by structures made, used and sold by petitioner, that petitioner and its agents be enjoined during the life of the patent from making, using or selling any combined pump and motor embodying the Christensen improvements and that an accounting before a named master in chancery be had for past infringements."†

"On appeal to this court" (the Circuit Court of Appeals for the Seventh Circuit) "that decree" (of the District Court) "was affirmed in 1915." (October 5th.) "Ever since our mandate was issued, the cause has been pending in the District Court in Wisconsin on the accounting.

"Sometime after the decisions in this" (Seventh) "Circuit, respondents began a suit on the same patent against the Westinghouse Traction Brake Company in the District Court for the Western District of Pennsylvania" (March 11, 1916). "That litigation resulted in a decree entered in 1917" (October 1, 1917) "pursuant to the mandate of the Circuit Court of Appeals for the Third Circuit, holding the patent invalid, and dismissing the bill for want of equity.

"Thereupon petitioner went into the District Court in Wisconsin" (March 9, 1918) "and on representations that it was entitled to the benefit of the Pennsylvania de-

(This decree was by the United States District Court for the Eastern District of Wisconsin, entered on the 21st day of August, 1914, and the portion of decree concerning the accounting for past infringements, was to follow:

"That Lewis M. Ogden be appointed Master to ascertain and report to the court the number of combined pumps and motors embodying the subject matter of the claims of said Patent No. 635290 that have been made and also that have been sold by the defendant in infringement of the patent, and the gains and profits made by the defendant thereon, and the damages sustained by complainants by reason of such manufacture, use and sale. \* \* \* that the question of increased damages and all further questions be reserved until the coming in of the Master's report."

decree as a privy, asked that the Wisconsin decree be vacated and petitioner be granted leave to amend its answer on the merits by setting up the Pennsylvania decree as *res adjudicata*. That petition was denied." (By the District Court: July 31, 1918.)

*Third.* That after said denial by the District Court—mentioned in the opinion of Judge Baker above quoted—the petitioner on August 19, 1918, moved in the Circuit Court of Appeals for the Seventh Circuit for an order from said court directing the District Court of the United States for the Eastern District of Wisconsin directing the vacation of the Wisconsin decree and the dismissal of the bill with costs.

*Fourth.* That the said application or motion of the petitioner made to the Circuit Court of Appeals for the Seventh Circuit, August 19, 1918, was denied by that court, April 29, 1919, and an opinion rendered by said court which opinion is appended to the brief filed here with in support of this petition.

*Fifth.* That the said Circuit Court of Appeals, in denying the said application or motion, placed its decision solely on the position that for the purposes of determining the rights of the parties and of constituting the basis of a plea or claim of *res adjudicata*, the decree of the District Court for the Eastern District of Wisconsin, entered August 21, 1914, and affirmed by the Circuit Court of Appeals, October 5, 1915, was a final decree and not an interlocutory decree.

The said Circuit Court of Appeals said (p. 34, *infra*)

"On the records of the two cases which are submitted as constituting all the evidence that bears on this motion, respondents dispute petitioner's contentions as to the identity of subject matter and parties in the two decrees. But at the thresh-

lies the question of the nature and effect of the Wisconsin decree affirmed by this court and we have stated the case only in that aspect."

It then proceeds to discuss that aspect only, declaring its decision that while a decree in a patent litigation based on submission and consideration of the issues of validity and infringement, may be classed as interlocutory "in relation of time," it is final "in essence," although the bill of the complainant prays for profits and damages, and the decree is in the ordinary form, granting an injunction during the life of the patent, but reserving an account of profits and damages and referring the cause to a master for such an accounting. It bases its judgment and denial of said motion and application wholly on said position and decision and the corollary drawn therefrom that the decree and adjudication of the District Court of the United States for the Eastern District of Wisconsin of August 21, 1914,—adjudging the validity of Patent No. 635280, was a final and controlling decree of a court of competent jurisdiction on such validity prior to that of the District Court of the United States for the Western District of Pennsylvania, entered October 1, 1917, adjudging said patent invalid, and that on the assumption that the parties were identical or in privity, it determined their rights.

*Sixth.* That your petitioner is advised by counsel and believes that such decision and judgment of the Circuit Court of Appeals is erroneous and in conflict with many decisions of this court and of various District and Circuit Courts and Circuit Courts of Appeal of the United States to the effect that in a patent suit in equity where an injunction, profits and damages are prayed, a decree finding validity and infringement and ordering an injunction but reserving an accounting and ordering a

reference for that purpose, is merely interlocutory and not final.\*

*Seventh.* That such a decree being interlocutory and not final, cannot without error be held controlling or binding as against a subsequent final decree between the said parties and their privies, finding the patent invalid and dismissing a bill founded on it.

*Eighth.* That the position taken by the Circuit Court of Appeals for the Seventh Circuit in the denial of the motion and application of the petitioner before described, will introduce, if unreversed, a conflict of authority and an uncertainty regarding a rule frequently invoked and of great gravity and of vital importance to many interests involved in the construction of the patent laws and the determination of the rights of parties under the same, and that the matter should therefore be brought to this court for review in the interest of uniformity in the law and its administration as well as to correct the error made by the adjudication against your petitioner in the case at bar, as it is advised and believes.

*Ninth.* That while the fact that the decision of the Circuit Court of Appeals is, as before set forth, based entirely on the position hereinbefore set forth that the decree of the District Court of the Eastern District of Wisconsin was final and not interlocutory and assumes that the plaintiffs in the suit in the Western District of Pennsylvania were identical with the plain-

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\*e. g.:

*Barnard v. Gibson*, 7 Howard, 650.  
*Humiston v. Stainthorp*, 2 Wallace, 106.  
*McGourkey v. Ry. Co.*, 143 U. S., 545.  
*Smith v. Vulcan Iron Works*, 165 U. S., 518.  
*Ex Parte National Enameling Co.*, 201 U. S. 156.  
*Harmon v. Struthers*, 48 F. R., 200.  
*Richmond v. Atwood*, 52 F. R., 10.  
*Bradley Co. v. Eagle Co.*, 57 F. R., 980.  
*Bissell Carpet Sweeper Co. v. Goshen Sweeper Co.*, 72 F. R., 56.  
*Brush Electric Co. v. Western Electric Co.*, 76 F. R., 761.  
*Stromberg v. Motor Devices Co.*, 220 F. R., 154.

And many other cases.

tiffs in the Wisconsin suit and the defendants in the two suits in privity, may render unnecessary in this petition an allegation of said privity of this petitioner with the defendant in the Pennsylvania suit, your petitioner makes such allegation and further represents that the record agreed upon by the parties and presented to the Circuit Court of Appeals in the original proceeding in which this certiorari is asked, and which constitutes the record in this case, contains the evidence showing such privity.

*Tenth.* That upon the face of the record filed with this petition the same patent, No. 635,280, is valid under the decision of the Circuit Court of Appeals of the Seventh Circuit, and is void under the decision of the Circuit Court of Appeals of the Third Circuit,—the said decisions being rendered in cases between the same parties or their privies. Petitioner is advised and submits that this conflict of decision can only be removed if the certiorari herein prayed for is granted.

*Eleventh.* That no question of jurisdiction or of procedural practice arises in this matter as to the form or method of the application to the Circuit Court of Appeals in this case. The Circuit Court of Appeals took jurisdiction of the application, considered the same as "an original proceeding," on the record, on briefs and arguments filed on both sides and on oral arguments from both sides, and decided the same as before set forth solely on the question of the final or interlocutory nature of the decree of the Wisconsin District Court.

Your petitioner represents that in compliance with the rule of this court it has furnished and filed as an exhibit to this petition a certified copy of the record in this proceeding agreed on by the parties and submitted to the Circuit Court of Appeals and of the proceedings of the Circuit Court of Appeals therein.

Wherefore your petitioner prays that this court issue a writ of certiorari to the United States Court of Appeals for the Seventh Judicial Circuit commanding the said court to certify to this court the record of its proceedings in this original proceeding entitled as above,

“National Brake & Electric Company,  
*Petitioner,*

—vs—

Niels A. Christensen and Allis-Chalmers Company,  
*Respondents.*

An application for an order directing dismissal of bill brought in the United States District Court for the Eastern District of Wisconsin”:

To the end that the said proceeding may be reviewed in this court, and that your petitioner may have such other and further relief in the premises as this court may deem appropriate and that said judgment of the said Circuit Court of Appeals therein may be reversed by this Honorable Court.

NATIONAL BRAKE & ELECTRIC COMPANY,  
*Petitioner,*

By THOMAS B. KERR,  
CHARLES A. BROWN,  
*Its Solicitors*

JOHN S. MILLER,  
EDWARD OSGOOD BROWN,  
*Of Counsel.*



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IN THE

**Supreme Court of the United States.**

OCTOBER TERM, A. D. 1918.

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NATIONAL BRAKE & ELECTRIC COMPANY,  
*Petitioner,*  
vs.

NIELS A. CHRISTENSEN AND ALLIS-CHALMERS  
COMPANY,  
*Respondents.*

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**BRIEF IN SUPPORT OF PETITION FOR CERTIORARI.**

**CERTIORARI SOUGHT TO REVIEW RULING THAT A DECREE  
FOR INJUNCTION AND ACCOUNTING IN A PATENT SUIT,  
IS FINAL AND NOT INTERLOCUTORY.**

This petition for a certiorari to the Circuit Court of Appeals for the Seventh Circuit is based as the petition sets forth upon what the petitioner believes to be an erroneous decision on a single and simple proposition of law,—which was made against it in *an original proceeding*, brought by it to said Circuit Court of Appeals. It was an application asking for a certain direction to the United States District Court for the Eastern District of Wisconsin, in a patent suit there pending on an accounting, after an affirmance by said Circuit Court of Appeals of a decree which we submit was an interlocutory decree, but which the decision which we are seeking to have reviewed adjudges to be final. Whether the decree of the District Court of the United States in Wis-

consin which was entered August 21, 1914, finding the validity of Patent No. 635,280—and its infringement by the defendant (the petitioner here)—enjoining the defendant from making, selling or using the devices covered by the patent during the remainder of the life of the patent, appointing a master to ascertain and report to the court the gains, profits and damages made by the defendants by reason of such manufacture, use and sale theretofore occurring, and reserving a question of increased damages and all other questions until the coming in of the master's report, was a final or interlocutory decree,—is the sole question which the Circuit Court of Appeals felt itself called on to decide in this proceeding.

The ruling here of the Circuit Court of Appeals was that such a decree is a final decree.

We think, as we have said, that this question was erroneously decided by the Circuit Court of Appeals and desire its decision reviewed here for that reason.

**QUESTION HERE IS ONE OF GREAT PUBLIC INTEREST AND IMPORTANCE.**

Moreover, we submit that it is a question of great public interest and importance; that all persons interested or connected with patent litigation must so regard it, and that it is extremely desirable on that account also that in the interest of future uniformity in the administration of the law, it should be definitely settled by the decision of this court whether a revolutionary overthrow of the received doctrine among the experts in patent litigation has been definitely accomplished by this decision.

For the rule laid down by the learned judge in his opinion in the instant matter is entirely without prece-

dent. He does not maintain in his opinion that it has such a precedent. Arguing purely from a standpoint which he believes to be that of logic and right reason, he devotes his opinion to a claimed distinction between a decree "interlocutory in time" and one "interlocutory in essence."

And recognizing as of course he must that in a great number of carefully and indeed elaborately considered cases of patent litigation this court as well as every other federal court has classified decrees like the one of the Wisconsin District Court involved here,—as "interlocutory" and not "final"—he admits or implies the admission (according with the fact) that they have been not only often, but universally so held under the statutes regulating the time and procedure in interlocutory and final appeals, respectively. That they have always hitherto been also so held by Circuit Courts of Appeal (including the Seventh Circuit) when considered on a claim by plea or otherwise that they could be used as supporting a contention of *res adjudicata* or estoppel—the learned judge does not indicate, but we submit that this is the fact.

**DECISION OF CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT HERE IS IN CONFLICT WITH ITS OWN DECISIONS IN OTHER CASES.**

By this decision the Circuit Court of Appeals for the Seventh Circuit makes a distinction between the character of a decree in a patent infringement case with accounting reserved, as applied to the statutory right of appeal, and its character as applied to its use as *res adjudicata*. In the first case it is interlocutory—in the last it is final, it says. No reason why such a distinction should exist is suggested by the learned judge. He cites decisions of this court which expressly declare such a

decree interlocutory, and says it was within the province of this court as a matter of appellate procedure "to declare that a 'final' order was only the one that ends the litigation in the trial court and that the legislative intent was against 'piecemeal' appeal." Does he imply that it is *not* within the province of this court to hold that only such a decree is a final one when the question is of priority of adjudication or estoppel? He says that in the cases he cites "the point was '*stressed*' that the intermediate order or decree sought to be presented for review—regardless of its essence—*was not final for the purposes of appeal* within the meaning of the statute."

He says, "If a decree dismisses an injunctive bill for want of equity a period of six months is allowed for appeal. Such a decree is final both in time and essence. If a decree establishes a perpetual injunction and orders an accounting, *no injury is done if, as a matter of procedural law, it be held that an appeal must be taken within thirty days.*"

Does he imply that injury *is* done if it be held as a matter of "substantive law" that a decree in a patent case, adjudging infringement, establishing an injunction and ordering an accounting is interlocutory only and cannot be used as the basis of a claim of *res adjudicata* or as a finality in any sense?

He would seem to do so. But in so holding the Circuit Court of Appeals for the Seventh Circuit, speaking through him, directly contradicts the Circuit Court of Appeals for the Seventh Circuit, speaking through Judge Woods, in *Brush Electric Company v. Western Electric Company*, 76 Federal Reporter, 761. It there said of a decree precisely similar to the decree of the District Court of Wisconsin involved here:

"The decree in the Toledo case awarded a per-

petual injunction but with an order of reference to a master to ascertain the damages by reason of infringement and for that purpose the suit, it is conceded, is still pending. *It is therefore only an interlocutory decree and not available as an estoppel in respect to any issue in these suits:*"

citing to sustain this utterance a numerous array of cases, indiscriminately those in which the question was one of the effect of the want of finality on procedural and statutory methods of appeal and those in which it was one of the effect of the want of finality on the substantive matters of the law of *res adjudicata* and estoppel.

And it contradicts expressly also other of its own opinions,—for example, *David Bradley Mfg. Co. v. Eagle*, 37 F. R., 980, where it said, speaking through Judge Jenkins, of a prior Iowa decree between the parties or privies to the suit then at bar, finding infringement, ordering a perpetual injunction, and an accounting of profits and damages, that the decree was not well pleaded as a bar "because, being interlocutory, while it affirmed the validity of the patent and the fact of infringement, it still remained in the breast of the chancellor and was subject to change."

And it overrules the conclusion of Judge Sanborn, sitting in the United States District Court at Chicago (in the Seventh Circuit), who said in *Stromberg Motor Devices Co. v. Zenith Carburetor Co.*, 220 F. R., 154—speaking of a decree which had been entered in *Stromberg Co. v. Bender* (a privy of the Zenith Company), 212 F. R., 419—which decree was just such a one as that of the Michigan District Court involved here, that the Zenith Company was "not estopped by the interlocutory decree because finality is essential."

Although in the Zenith Co. case, the interlocutory decree in the Bender case had ripened into a final one before the beginning of the Zenith Co. case, Judge San-



born points out that while up to the "interlocutory decree" the case was fought by the Zenith Company for Bender, and the Zenith Company was therefore a party, it ceased to be so after the interlocutory decree and that the "final" decree was a consent decree. Therefore said Judge Sanborn:

"The Zenith Company is not estopped by the *interlocutory* decree because finality is essential. It is not concluded by the *final* decree because it is not a party of record, and because a consent decree binds no one but the parties thereto. \* \* \* The rule of *res judicata* does not apply whatever may be the rule of *stare decisis*."

We submit it is quite a sufficient reason for a writ of certiorari from this court to the Circuit Court of the Seventh Circuit that the rule laid down in these diverse cases make even for that Circuit confusion and uncertainty concerning a rule which as our petition sets forth is often invoked and is of immense importance to patent litigants. It would seem and we have no doubt it is the case that the members of the bench in that Circuit would welcome a controlling and final decision from this court on this question.

**EFFECT OF RULING OF CIRCUIT COURT OF APPEALS HERE  
IS TO BRING AND KEEP LAW OF THAT CIRCUIT IN CON-  
FLICT WITH THIRD CIRCUIT AS TO THE VALIDITY OF  
THE SAME PATENT.**

It is also a sufficient cause, we submit, for a certiorari that as we have set forth in the petition the petitioner itself which has sold many thousands of the alleged infringing machines all over the United States (Rec., 93), is attacked under a specific patent which has been declared invalid and void by the Circuit Court of Appeals, in the Third Circuit and valid and controlling by the Circuit Court of Appeals in the Seventh Circuit.

THE RULING HERE SOUGHT TO BE REVIEWED IS IN CONFLICT WITH DECISIONS OF OTHER CIRCUITS ON SPECIFIC QUESTION RULED ON.

But the interest of the public and of the profession in a speedy and definite decision on what seems to many of them certainly revolutionary in its treatment of the law, is founded by no local lines narrower than the jurisdiction of this court. The decision which we are seeking to have reviewed is not only directly opposed to other decisions in the Seventh Circuit, it is also opposed to the decisions of the Circuit Court of Appeals in other circuits.

Some of them we cite:

Thus in the First Circuit in *Richmond v. Atwood*, 52 F. R., 10, the Circuit Court of Appeals in a very elaborate opinion—discussing as the chief questions the jurisdiction under the appeal provision in Sec. 7 of the Circuit Court of Appeals Act, and whether on an appeal from a decree like the one involved here as an interlocutory decree the Circuit Court of Appeals could not only dissolve the injunction but dismiss the bill, emphasizes extremely the assertion that there are but two classes of decrees—"FINAL" and "INTERLOCUTORY"; and that every decree must be one or the other and cannot be both. It says:

"Since Sir William Blackstone's day at least decrees have only been subject to one division and have been classed generally either as final or interlocutory decrees or orders, and an 'interlocutory decree' has been repeatedly defined as any decree made before final decision and for the purpose of ascertaining matter of law or fact preparatory to a final decree.

\* \* \* \* \*

It is quite clear that this single division of decrees into two classes and two only, interlocutory and

final, has been generally accepted by lawyers and judges in this country and England."

After citing a formidable array of authorities, text writers and at least two score of federal court cases to this proposition, the learned judge proceeds:

"It will be observed, from an examination of the cases in the Supreme Court of the United States, that a decree in patent cases, declaring the patent in question valid and that it has been infringed and for an injunction and an accounting, has uniformly been referred to as an interlocutory decree and the cases are numerous, \* \* \* where upon an appeal from a decree determining the general property right, granting an injunction, and an order for an accounting before a master, it has been held that the decree was not final or appealable."

This language certainly gives no hint of a class of decrees in the mind of the court in the First Circuit interlocutory "in time" but not "in essence" and presents a marked contrast to that of Judge Baker (p. 40-41 of his opinion, attached hereto):

"If a decree establishes a perpetual injunction and orders an accounting *no injury is done* if as a matter of procedural law, it be held that an appeal must be taken within thirty days. Such a decree, though final in essence is interlocutory in time, and stressing time in procedure it *may* be better that the decree be *classified* as interlocutory for the purposes of appeal. But although appeals from decrees of temporary injunction and from decrees of perpetual injunction with accounting reviewed are thus brought within the same section of the appellate practice statute, no bar to recognizing the difference in essence between temporary and perpetual injunctions is thereby formed." (The italicization is ours.)

It would be certainly well to determine which of these courts correctly states the true theory.

In the Second Circuit, in *Marden v. Campbell Printing Press & Mfg. Co.*, 67 F. R., 809, p. 815, the Circuit Court

of Appeals through Judge Putnam said in relation to the right of appeal from a decree directing a perpetual injunction and accounting:

“The only person prejudiced in the sense of the law by a decree of the character of that in the case at bar is the defendant and he is prejudiced only so far as the injunction order operates against him.  
\* \* \* What has the appearance of a decree against him, so far as embraced in the interlocutory proceedings is only a finding of the court. It is sufficient to bar further proceedings *in the cause* so far as the claims passed on are concerned *but it is effectual for nothing more and is not pleadable in any subsequent litigation.*”

In the Third Circuit the very case which is involved in this proceeding furnishes an example of the difference of view of its courts from that enunciated by the Circuit Court of Appeals of the Seventh Circuit in this case.

The District Court in Pittsburgh by final decree, under the mandate of the Circuit Court of Appeals of the Third Circuit has held Patent 635,280 invalid and void. The District Court in Milwaukee affirmed by the Circuit Court of Appeals in the Seventh Circuit has held Patent 635,280 valid and in force. The decree of the Milwaukee court which we maintain was *interlocutory*, was prior in time to the decree of the Pittsburgh court which was certainly *final*. If the counsel for the plaintiff in the Pittsburgh case had supposed the decree in the Milwaukee case “final” they would have asserted estoppel against the Westinghouse Traction Brake Company and had the courts in the Third Circuit agreed with them they would have obtained a decree of injunction and accounting against that company without offering any proof other than that of privacy and identity of subject matter.

But no such method of proceeding was used. Counsel in the Pittsburgh case frankly called the Milwaukee decree "an interlocutory decree" (Rec., 81), and the courts proceeded to adjudicate the invalidity of Patent 635,280 without reference to it.

Better evidence of the difference of decision between the Third and Seventh Circuit Courts of Appeal could not exist.

In the Fourth Circuit in the case of *Howe Machine Co. v. Dayton*, 210 F. R., 801, a decree of the District Court finding a patent valid and infringed, granting an injunction, and ordering an account was appealed and affirmed by the Circuit Court of Appeals. When the case went back to the District Court for an accounting, that court as the plaintiff alleged, "enlarged the mandate" by an order and the defendant applied to the Circuit Court of Appeals for a mandamus to compel the district judge to vacate the order. The Circuit Court of Appeals called the injunction "an interlocutory injunction" (p. 802), and said the decree was not final and the petition for a mandamus was denied.

In the Fifth Circuit in *Jones Co. v. Munger*, 50 F. R., 785, the Circuit Court of Appeals says of a decree which adjudged the validity of the patent sued on and directed an injunction termed "perpetual" against the defendants as infringers, and referred the case to a master for taking an account:

"It is well settled that such a decree is not a final decree from which an appeal could be taken or of which this court would have jurisdiction under the 6th section of the Judiciary Act of 1891. We are, however, of the opinion that it is an interlocutory decree granting an injunction from which an appeal would lie under the seventh section of the said Judiciary Act,"

and then discussing the nature of interlocutory decrees,

and applying it to the matter in hand, it quotes with approbation from Daniels Chancery Practice this:

“For this reason it is that a decree which has not been enrolled though it is in its nature a final decree is considered merely as interlocutory and cannot be pleaded in bar to another suit for the same matter.”

In the Sixth Circuit in an opinion (*Bissett Carpet Sweeper Co. v. Goshen Sweeper Company*, 53 F. R., 545), very elaborately discussing and deciding in the affirmative the questions whether on appeal from a decree in a patent infringement case granting a perpetual judgment but reserving an accounting, the decision of the reviewing court may extend to the whole merits, and whether for the court making the decree and for the reviewing court—the decision of the latter becomes “the law of the case” (not *res adjudicata*” it is to be noted), Judge Lurton for the Circuit Court of Appeals calls such a decree constantly “an interlocutory decree” without hinting at any distinction that would limit the classification in such a way as to make such an “interlocutory decree” pleadable and enforceable as “*res adjudicata*” or “an estoppel,” as though it were “a final decree.”

It might have aided his argument to do so, but on this point he only says:

“Under the rule of the Supreme Court as to an appealable final decree this was not one, although the merits had been determined and nothing remained to be done except to ascertain the damages (citing cases). It was, however, ‘an interlocutory decree awarding an injunction’ within the meaning of Section 7 of the Court of Appeals Act and an appeal was properly allowable.”

Upon other grounds he then proceeds to treat the subject of the authority of the reviewing court to consider

the merits of the patent and settle "the law of the case" on such an appeal from an *interlocutory* decree.

To the same effect is the decision in the *Ninth Circuit* in *Cable Co. v. Cable Ry. Co.*, 58 F. R., 226.

In the *Eighth Circuit* Judge Thayer in *Metallic Extraction Company v. Brown*, 104 F. R., 345, having occasion to pass in an appeal from a decree finding validity and infringement and ordering an injunction and accounting, upon the sufficiency of the allegations of the bill and of the evidence taken in this case on the subject of damages, said the decree below had not become final and that those questions might well be left open for future consideration when there should have been a *final* decree.

In *Harmon v. Struthers*, 48 F. R., 260, in the *Circuit Court of the Western District of Pennsylvania* in 1891, the position that Judge Baker now takes in his opinion as to the effect as *res adjudicata* of such a decree as is in question here was raised, and it was discussed and disposed of by that court, Judge Acheson, citing many cases, among them *Chemical Works v. Hecker*, 20 Federal Cases, 1345.

He concluded:

"Applying the principle of the decisions cited to this case we have no difficulty in holding that our decree in the other suit is *interlocutory* and does not here operate as an estoppel precluding inquiry into the validity of the patent."

And in *Hills & Co. v. Hoover*, 142 F. R., 904, which although not a patent case, was the closely analogous one of copyright litigation, Judge Holland in the *Circuit Court of the Eastern District of Pennsylvania* said that a decree in a case between the same parties on the same subject matter awarding a perpetual injunction and or-



dering an accounting should not have been admitted in evidence.

"It has been held," he says, "in numerous cases that a decree in equity proceedings awarding a perpetual injunction and an accounting by the defendant to the plaintiff for profits and referring the case to a master to ascertain the amount thereof which the plaintiff is entitled to recover, which is still pending and undetermined before the master, is an interlocutory and not a final decree and therefore is not *res adjudicata* as to any suit involved and was not admissible in evidence."

In the Circuit Court of the Northern District of New York, Judge Ray in *Australian Knitting Company v. Gormley*, 138 F. R., 92, in a patent case decided the exact question, declaring in the language of the head-note fully borne out by the text of the opinion:

"A decree of a Circuit Court sustaining the validity of a patent and awarding a permanent injunction against infringement and referring the case to a master for an accounting as to damages and profits is interlocutory merely and not final and is not conclusive of the validity of the patent in a subsequent suit between the same parties prior to the rendition of final decree in the cause although on appeal from such interlocutory decree it has been affirmed by the Circuit Court of Appeals."

This question raised anew by the opinion in the case at bar should be now set at rest by a decision of this court as fairly on the point as this.

In our view decisions which this court has made in numerous well considered cases concerning the interlocutory and nonfinal character of such decrees, have already done so on the precise point involved of their use to sustain a claim of *res adjudicata* and estoppel as well as of appealability,—but as the decision which we seek to have

reviewed by the certiorari prayed for is based entirely on an alleged distinction in this regard we have postponed a reference to them until we had clearly shown that at least they have been interpreted differently from the court's construction of them here by other subordinate Federal Courts and by other judges of the same court.

And before proceeding to cite or quote from those cases in this court it may be proper to note that we do not agree entirely with the conception of the Court of Appeals here of the jurisdiction of equity in litigation over alleged infringement of patents. The opinion here says that "injunction is the sole basis of the equitable jurisdiction over the bill"; that the accounting is an incidental matter taken up in the equity suit although it is a legal cause of action, purely as a matter of convenience. We do not so conceive it. The federal courts have original jurisdiction of all suits under the patent laws, and by section 4921 of the Revised Statutes as amended March 3, 1897, the courts vested with jurisdiction under the patent laws are expressly given "power to grant injunctions according to the course and principles of courts of equity to prevent the violation of any right secured by patent on such terms as the court may deem reasonable and upon a decree being rendered in any such case for infringement the complainant shall be entitled to recover in addition to the profits to be accounted for by the defendant, the damages the complainant has sustained thereby, and the court shall assess the same or cause the same to be assessed under its direction."

It seems to us that the jurisdiction to compute profits and assess damages for an infringement of a patent becomes thus no more in theory solely a quasi-extraneous

incident or appendage of a suit for an injunction against the continuance of the infringement, than it is in fact in practice. It is familiar experience that the profits and damages sought on account of past infringements quite as much as the injunction sought against future ones during a possibly short subsequent life of the patent are the real backbone, substance and cause of the suit. In view of the statute, the reasoning that the entry of a permanent injunction exhausts every equitable issue in the bill and therefore it must determine all the equities and be final as *res adjudicata* or in estoppel, and that this court therefore in holding it interlocutory must have meant interlocutory "in time" only and not "in essence" does not seem to us sound.

Although as decided in *Root v. Railway Company*, 105 U. S., 189, and *Tilghman v. Proctor*, 125 U. S., 136, something more than a claim for damages must be made in patent cases to give jurisdiction in equity,—yet when such other relief is sought together with an accounting for profits and damages, the claim and the accounting become integral and vital parts of the whole litigated cause.

This court said in *Hamilton Shoe Company v. Wolf Bros.*, 240 U. S., 251, that in trade-mark and patent cases an infringer is required in equity to account for and yield up his gains to the true owner upon a principle analogous to that which charges a trustee with the profits acquired by wrongful use of the property of a *cestui que trust*.

At all events this court has made no such distinction between "in time" and "in essence" in any of the multitude of cases in which it has consistently held and declared a decree of this nature "interlocutory" and "not final."

It may seem unnecessary to quote here from any of these cases, so well established admittedly is the rule of which such decrees are thus defined by this court when dealing with their appealability, but to emphasize our contention that such a distinction as is the basis of the decision we seek to review has not been recognized in them, it may not be improper to call attention to the language of a few of them.

In 1825 Chief Justice Marshall said (*The Palmyra*, 10 Wheaton, 502) that in admiralty a decree of restitution of a prize leaving damages unsettled that were prayed for as well as restitution was *not final on the rights of the parties*, and that the accounting not being merely ministerial distinguished it from that in a foreclosure in equity where the amount due on a fixed obligation only was to be ascertained.

Certainly the same reasoning is good in patent infringement cases, and it was used in those cases by this court.

In *Barnard v. Gibson*, 7 Howard, 656, we find Mr. Justice McLean in 1848, speaking for the court, and distinguishing *Forgay v. Conrad* (discussed in the opinion here) thus:

“The decree in the case under consideration is not final within the decisions of this court. The injunction prayed for was made perpetual but there was a reference to a master to ascertain the damages by reason of the infringement.”

These cases having been followed in both admiralty and patent causes for more than half a century, this language of Mr. Justice Brown's opinion in 1892 in *McGourkey v. Toledo & Ohio Railway*, 146 U. S., 536, was fully justified:

“Probably no question of equity practice has been the subject of more frequent discussion in this court

than the finality of decrees. It has usually arisen upon appeals taken from decrees claimed to be interlocutory but it has occasionally happened that the power of the court to set aside such a decree at a subsequent term has been the subject of dispute.

\* \* \* Upon the one hand it is clear that a decree is final though the case be referred to a master to execute the decree by a sale of property or otherwise as in the case of a foreclosure of a mortgage.

\* \* \* *It is equally well settled that a decree in admiralty for a collision or other tort \* \* \* or in equity establishing the validity of a patent and referring the case to a master to compute and report the damages is interlocutory only.*"

But it was not "for convenience" or because no injury would be done by classifying the decree as "interlocutory" and not as "final" that these decisions in admiralty and patent litigation were made. On the contrary even against the plea of great inconvenience and injury (see *Barnard v. Gibson, supra*) the court was applying the same rule to admiralty and patent litigation that it applied in a case which belonged to neither class (*Beebe v. Russell*, 19 Howard, 283), but concerned the conveyance of land which the bill charged was fraudulently withheld from the complainant, and for an account for the rents and profits.

The court found the fraud, decreed the conveyance of the land with surrender of possession, and referred the account for withheld profits to a master. This court held that decree not final and *therefore* not appealable. It said, distinguishing the accounting from a ministerial act, "that there was a pecuniary uncertainty in respect to the sum to be paid to the defendant which was only to be made certain and operative by a decree of the court upon the master's report." Therefore the decree was *not* final. Is not the same thing exactly true of our case?

In a footnote we have indicated some of the many cases to which we have hereinbefore referred decided by this court in which without a suggestion as to any limitation of the words to "procedural" law it has termed decrees in patent suits which found validity and infringement, established perpetual injunctions, but ordered accountings, "interlocutory decrees,"

Nothing could more clearly indicate that it was no mere question of procedural law which this court had in mind in thus classifying these decrees than the language in *Winthrop Iron Co. v. Mecker*, 109 U. S., 180, repeated with approbation in *Keystone Iron Co. v. Martin*, 132 U. S., 91.

In the first case, the court held the decree in the case then at bar final, but remarked, "The case is altogether different from suits by patentees to establish their patents and recover for the infringement. *There the money recovery is part of the subject matter of the suit. Here it is only an incident to what is sued for.*"

In the second, the court held the decree in the case then before them was not a final decree on the same principle that the court said in *Winthrop v. Mecker* was applied to patent infringement suits.

The reason given which prevents a decree giving partial relief from being final, is just as applicable to questions of estoppel as to the time within which an appeal must be taken.

In *Ex parte National Enameling Co.*, 201 U. S., this court, speaking through Mr. Justice Brewer, is particu-

• *Huntston v. Stanthorp*, 2 Wall., 101.  
*Hurlbut v. Schillinger*, 129 U. S., 456.  
*Cornely v. Markwald*, 131 U. S., 159.  
*St. German v. Brunswick*, 135 U. S., 227.  
*Yale Lock Co. v. Berkshire Bank*, 135 U. S., 342.  
*McCreery v. Penn. Canal Co.*, 141 U. S., 459.  
*McQuocan v. N. Y. Belting Co.*, 141 U. S., 332-337.

larly emphatic in declaring such a decree as is the one in question here "not final," pointing out that *Smith v. Vulcan Iron Works*, 165 U. S., 518, decided nothing to the contrary.

**CIRCUIT COURT OF APPEALS MISCONCEIVES POTTS CASE,  
166 U. S., 263.**

The court here appears to have overlooked the subsequent history of the Potts case, 166 U. S., 263, which it cites. The Potts case (166 U. S., 263), decided indeed that "the law of the case" had been established for the lower court by the mandate of this court and that the lower court could not depart from it. It was an authority which might deter the District Court at Milwaukee from granting the application made there to dismiss the bill without the consent and direction of the Circuit Court of Appeals. But it has no bearing on our right to have the Circuit Court of Appeals give that direction when we ask it in an original proceeding brought in that court.

In the Potts case this court,—after deciding on March 15, 1897, that the Circuit Court had no authority to deviate "without express leave of this court" in any way from the directions of the Supreme Court made on January 7, 1895 (two years before it will be noted), reversing the Circuit Court's dismissal of the bill and holding a patent valid and infringed and ordering a perpetual injunction and an accounting,—said, that if an application was made to the Supreme Court for leave to apply to the Circuit Court within twenty days for a rehearing in the case, it would be considered. The report in *C. & A. Potts & Co. v. Crcager et al.*, 97 Fed. R., 78, shows that the application to the Supreme Court was made, that it was granted; that the Circuit thereupon granted re-



bearing and on said rehearing the patent was again adjudged invalid and the bill dismissed, and that this action of the Circuit Court was affirmed as to one patent and reversed as to the other by the Circuit Court of Appeals. No case could be more analogous to ours so far as the proper method of procedure goes.

It will be noted that if the decree of January, 1895, adjudging the patent valid and perpetually enjoining the defendant—which was entered on the mandate of this court (155 U. S., 597),—was a final decree, then the Circuit Court had no power to grant the petition for rehearing, which was presented (as was this case), long after the term had expired at which such final decree was entered. The action of the Circuit Court in entertaining such petition (with the leave of this court), and granting the rehearing and its later action in setting aside such decree of January, 1895, and that of the Circuit Court of Appeals in that case, show that such decree of January, 1895, was interlocutory merely and not final.

**SINGLE QUESTION ON THIS PETITION IS AS TO FINALITY OF DECREE.**

No question of procedure is raised in the decision of the case at bar by the Circuit Court of Appeals nor suggested in the opinion of that court which gave the reasons for it. If it had been, the case of *Hart Steel Company v. Railroad Supply Co.*, 244 U. S., 294, would have been sufficient authority for us to rely on. That court was mistaken in supposing the petitioner relied on that case as demonstrating that the decree here in question was "interlocutory in essence." We had no intimation or expectation that it could be held anything but interlocutory in view of the decisions of this court and of other courts that we have cited.

But we relied on the same understanding of the Hart case which in effect the opinion of that court says the Circuit Court of Appeals has of it, that the first final adjudication on the validity of a patent is binding on parties and their privies.

The first *final* adjudication on the validity of Patent No. 635,280 between the parties to this litigation or their privies was, as we maintain, by the District Court of the Western District of Pennsylvania, October 1, 1917, and adjudged it invalid.

The Circuit Court of Appeals of the Seventh Circuit has held that the first final adjudication was by the decree, which we maintain was by established and well settled rules of law interlocutory only of the District Court for the Eastern District of Wisconsin on August 21, 1914, which adjudged it valid.

Whether that decree was final or interlocutory is the only question raised or decided by the opinion of the Circuit Court of Appeals of which we are seeking a review.

THOMAS B. KERR,

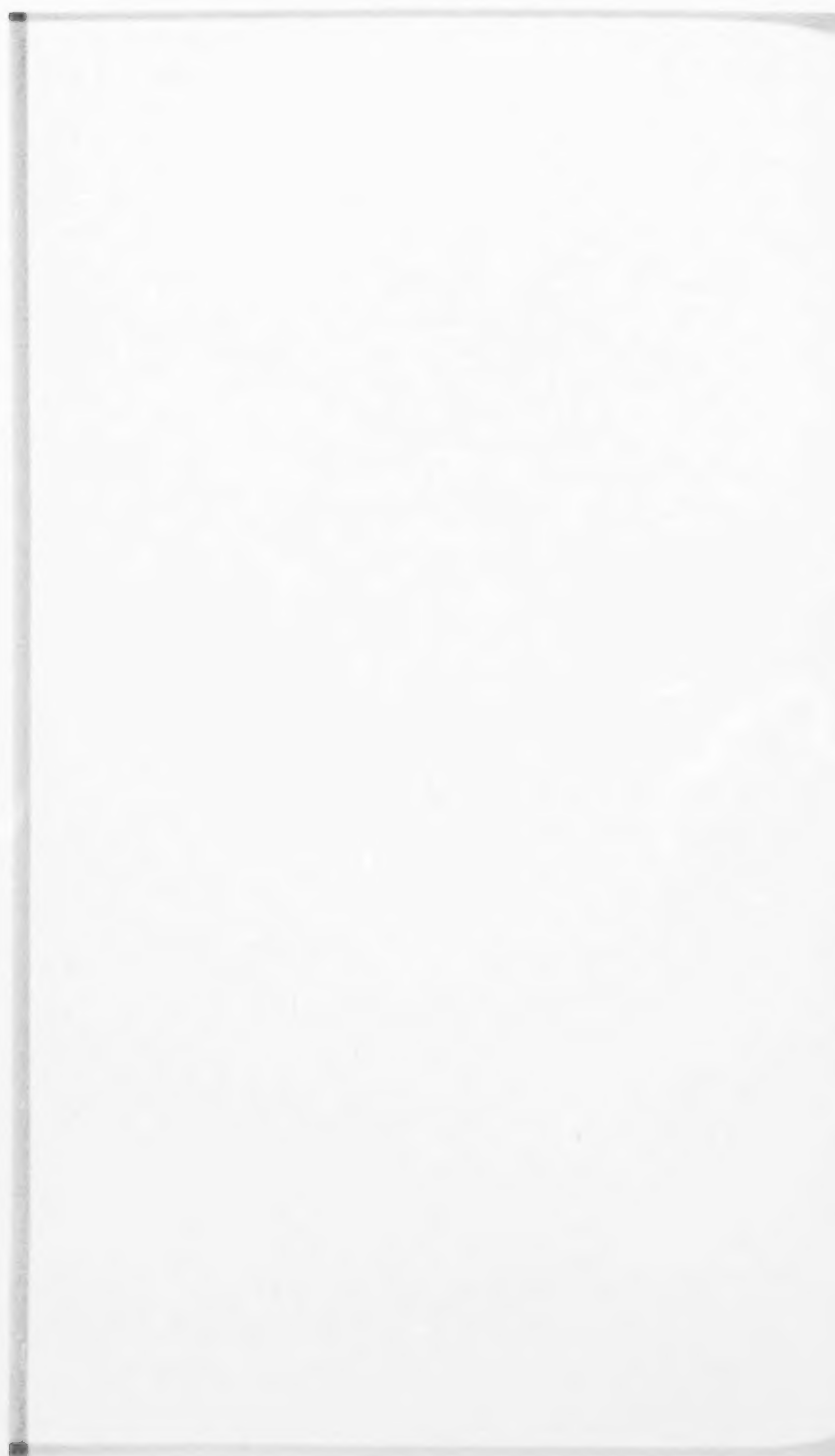
CHARLES A. BROWN,

*Solicitors for The National Brake &  
Electric Co.*

JOHN S. MILLER,

EDWARD OSGOOD BROWN,

*Of Counsel.*



## APPENDIX.

IN THE

UNITED STATES CIRCUIT COURT OF APPEALS

FOR THE SEVENTH CIRCUIT.

No. 2163.      October Term, 1918, April Session, 1919.

<p>National Brake &amp; Electric Com- pany, <i>Petitioner,</i></p> <p style="text-align: center;"><i>vs.</i></p> <p>Niels A. Christensen and Allis- Chalmers Company, <i>Respondents.</i></p>	}	<p>Application for an order directing dis- missal of bill brought in the United States Dis- trict Court for the Eastern District of Wisconsin.</p>
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Before BAKER, MACK and EVANS, *Circuit Judges*.BAKER, *Circuit Judge*, delivered the opinion of the court:

Respondents sued petitioner in the District Court for the Eastern District of Wisconsin for alleged infringement of Patent No. 635,280, issued Oct. 17, 1899, to N. A. Christensen, for a combined pump and motor. On issues joined as to the ultimate rights of the parties, the District Court heard and considered all the evidence each side had to offer respecting the ownership, validity and infringement of the patent, and thereupon adjudged and decreed that respondents were the owners of a valid patent which was being infringed by structures made, used

and sold by petitioner, that petitioner and its agents be enjoined during the life of the patent from making, using or selling any combined pump and motor embodying the Christensen improvements, and that an accounting before a named master in chancery be had for past infringements. On appeal to this court that decree was affirmed in 1915. Ever since our mandate was issued, the cause has been pending in the District Court in Wisconsin on the accounting.

Some time after the decisions in this circuit, respondents began a suit on the same patent against the Westinghouse Traction Brake Company in the District Court for the Western District of Pennsylvania. That litigation resulted in a decree, entered in 1917, pursuant to the mandate of the Circuit Court of Appeals for the Third Circuit, holding the patent invalid and dismissing the bill for want of equity.

Thereupon petitioner went into the District Court in Wisconsin and on representations that it was entitled to the benefit of the Pennsylvania decree as a privy asked that the Wisconsin decree be vacated and petitioner be granted leave to amend its answer on the merits by setting up the Pennsylvania decree as *res adjudicata*. That petition was denied.

And now petitioner comes before us in an original proceeding, asking that we recall our mandate, vacate our decree, find that the Pennsylvania decree is *res adjudicata* in this case, and thereupon direct the vacation of the Wisconsin decree and the dismissal of the bill on the merits.

On the records of the two cases, which are submitted as constituting all the evidence that bears on this motion, respondents dispute petitioner's contentions as to the identity of subject matter and parties in the two decrees. But at the threshold lies the question of the nature and effect of the Wisconsin decree, affirmed by this court, and we have stated the case only in that aspect.

A decree may be looked at from the point of view of time, and also from that of essence. The former discloses procedural law, mainly statutory appellate procedure; the latter concerns the right of a party who, for

instance, on issues joined respecting title to property and exclusive possession or use, has submitted all his proofs and arguments, afterwards to require the court to ignore its deliberate decree on title and right of possession and to hear again the evidence and arguments on those issues because a supplemental or dependent issue has been reserved for future judicial determination.

If a decree writes "finis" to the litigation, it certainly merits the term "final" in time relation. But even in the time relation of procedure, the last judicial action is not always the matter that is reviewed on appeal. If a chancellor entertains a petition for a rehearing (motion for a new trial), his denial of the petition may be the final judicial action in the case, but his decree on the merits as deduced from the evidence and the law is the matter that is reviewed. The effect of the final order in time is to bring forward to the same time the order on the merits. *Brockett v. Brockett*, 2 How. 238; *Aspen Mining Co. v. Billings*, 150 U. S. 31; *Kingman v. Western Mfg. Co.* 170 U. S. 675; *Chicago G. W. Rld. Co. v. Gasham*, ..... U. S. .... (Mar. 3, 1919).

Federal appellate procedure is wholly statutory. When the statute limited appeals to "final" decrees, the meaning of "final" was a matter of statutory construction. It was within the province of the court to declare that a "final" order was only the one that ends the litigation in the trial court and that the legislative intent was against "piecemeal" appeals. *Barnard v. Gibson*, 7 How. 650; *Craighead v. Wilson*, 18 How. 199; *Beebe v. Russell*, 19 How. 60; *Humiston v. Stainthorp*, 2 Wall. 106; *Green v. Fisk*, 103 U. S. 518; *Keystone Co. v. Martin*, 132 U. S. 91; *McGourkey v. Toledo Ry. Co.*, 146 U. S. 536; *Ex parte National Enameling Co.*, 201 U. S. 156; *Heike v. U. S.*, 217 U. S. 423; *Hamilton Shoe Co. v. Wolf Brothers*, 240 U. S. 251. In many of these cases the point was stressed that the intermediate order or decree sought to be presented for review, regardless of its essence, was not final for the purposes of appeal within the meaning of the statute. In the *Heike* case the court observed: "It is true that in a certain sense an order concerning a con-

trolling question of law made in a case is, as to that question, final. Many interlocutory orders effectually dispose of some matters in controversy, but that is not the test of finality for the purposes of appeal or writ of error." If an order that is interlocutory in time effectually disposes of certain issues under the law and the evidence, the effect of the last order that disposes of the remaining issues is the same as the effect of the order denying a motion for rehearing,—it brings forward to the latter date for the purposes of appeal the intermediate order on the merits, unless there is a special statutory provision for an intermediate appeal from the intermediate order in question.

Even in cases of procedural law, where the only question was when the time for taking an appeal was ripe, the manifest inconveniences and hardships from long postponement of a review of a decree, intermediate in time, but based on a full submission and consideration of the law and the evidence respecting the foundational issues of title and use, led to exceptions in the application of the time rule. In *Forgay v. Conrad*, 6 How. 200, an assignee in bankruptcy filed a bill to cancel sundry deeds of the bankrupt, to establish the assignee's title and right of possession, and to obtain an accounting of the rents and profits received by the defendants. On a full hearing of the issues of title and right of possession, and of the fact that defendants had been in unlawful possession, the trial court decreed that the complainant was the owner and was entitled at once to exclude the defendants from the property, that the defendants' receipts of rents and profits were unlawful, that the amount thereof be determined in an accounting before a master, and that so much of the bill as related to the accounting be retained for further decree. Plainly the parties were kept in court for determination of an issue within the pleadings. Plainly the decree on title and right of possession was not the "final" decree in time relation. Plainly, in its essence, that decree was final as to the issues then adjudged, for they "could not have been afterwards reconsidered or modified except upon a petition for a rehearing"; and the only question was whether an appeal



should then be allowed or only after all issues had been finally disposed of in the trial court. In view of the fact that the assignee in bankruptcy might distribute the proceeds of the sale of the property among the creditors before the accounting issue for rents and profits was finally disposed of, the appeal was permitted to stand. In aid of the "no piecemeal appeals" rule Mr. Chief Justice Taney condemned the splitting of cases and the rendition of two or more final decrees on the merits and pointed out to the trial courts that after a full hearing of the foundational rights of the parties only an opinion should be given and no executable orders entered until the master's account of profits or damages was in, so that all matters in dispute might be embodied in "one final decree." (But the reasons that underlay that attitude have lost their importance by changes in appellate procedure introduced in the act creating the Circuit Courts of Appeals.) *Thomas v. Dean*, 7 Wall. 342, was a similar case. There also the decree on review finally adjudged title and right of possession, and reserved the matter of accounting for a future decree.

While *Forgay v. Conrad* and *Thomas v. Dean* are exceptional cases in the application of the Federal appeals statute then in force, they are not exceptional when substantive law is the test. Indeed, throughout the world of English-derived jurisprudence, there is unanimity that a decree which, on issues joined, and on submission by the parties and consideration by the court of all the evidence the parties can or choose to adduce and all the law the parties and the court deem applicable, adjudges that the complainant is the owner and entitled to the exclusive possession of property and that the defendant has unlawfully invaded the complainant's rights, and orders the defendant to surrender or keep away from the property forever, is a final decree on those issues, even though the issue concerning profits or damages from the defendant's trespasses has been reserved for future judicial action. Decrees of this character have been held to be final in essence, regardless of time relation, in cases of partition, partnership, foreclosure, redemption, cancellation, rescission, injunction, condemnation, and many

others.\* English courts have never been tied by a statute limiting appeals to those that write "finis" to the litigation. In an English chancery cause there may be successive appeals. Consequently the essential nature of the decree or order has furnished the test.\*\* And in its simplest form the test is whether the parties have intended to submit and have submitted an issue of title or right upon all their admissible contentions of fact and law and the court has intended to decide and has decided that issue and has put its decision into an immediately executable decree which in terms puts an end to that controversy, with no reservation of right to the parties or to the court for further or renewed presentation and con-

\*Partition Cases: *Allison v. Drake*, 145 Ill. 500; *Amea v. Amea*, 148 Ill. 321; *Williams v. Wells*, 62 Iowa 740; *Damouth v. Klock*, 28 Mich. 162; *McRoberts v. Lockwood*, 49 Oh. St. 374; *Lochrane v. Loan & Security Co.*, 50 S. E. 372 (Ga.); *Cedar Co. v. Peoples Bank*, 111 Fed. 446 (4th C. C. A.); *Richmond v. Richmond*, 57 S. E. 736 (W. Va.).

Partnership Cases: *Decatur Land Co. v. Cook*, 27 So. 559 (Ala.); *Sammis v. Poole*, 89 Ill. App. 118, affirmed in 188 Ill. 306; *Silver v. Aiken*, 67 Ala. 313; *Hake v. Coach*, 105 Mich. 425.

Foreclosure and Redemption Cases: *Myers v. Manny*, 63 Ill. 211; *Gentry v. Lawley*, 37 So. 829 (Ala.); *Marquam v. Ross*, 78 Pac. 608 (Oregon); *Mills v. Hoag*, 7 Paige 18; *Zimmerman v. Pugh*, 39 So. 989 (Ala.).

Cancellation or Reformation of Deed Cases: *McMurry v. Day*, 70 Iowa 671; *Lohman v. Cor.*, 56 Pac. 286 (New Mexico); *Stahl v. Stahl*, 220 Ill. 188; *Jones v. Wilson*, 54 Ala. 50; *Johnson v. Northern Trust Co.*, 265 Ill. 263.

Perpetual Injunction Cases: *M. & M. Nat'l Bank v. Kent*, 43 Mich. 292; *Sacramento Irr. Co. v. Lee*, 113 Pac. 834 (New Mexico); *Improvement Co. v. Lund*, 113 Pac. 840 (New Mexico); *Chicago Life Ins. Co. v. Auditor*, 100 Ill. 478; *Earl v. Jacobs*, 142 N. W. 1079 (Mich.).

Condemnation Cases: *Petition of Phil. M. & S. St. Ry. Co.*, 53 Atl. 191 (Pa.); *Tenn. Cent. Ry. Co. v. Campbell*, 75 S. W. 1012 (Tenn.).

Miscellaneous Cases: *Walker v. Crawford*, 70 Ala. 567; *People v. Bank*, 65 Pac. 124 (Cal.); *Wynn v. Bank*, 53 So. 228 (Ala.); *Robert v. Roussau*, 67 Atl. 330 (R. I.); *Klein v. Independent Brewing Assn.*, 231 Ill. 594; *Townsend v. Peterson*, 12 Colo. 491; *Fry v. Rush*, 65 Pac. 701 (Kan.); *Perrin v. Leper*, 72 Mich. 454; *Ayer v. Termatt*, 8 Minn. 96; *De Grasse v. Gossard Co.*, 236 Ill. 73; *Arnold v. Sinclair*, 29 Pac. 340 (Mont.); *Rawley v. Burris*, 47 S. W. 176 (Tenn.); *France v. Bell*, 71 N. W. 984 (Nebr.); *Moreau v. Stanley*, 81 Pac. 759 (Colo.); *Ncher v. Crawford*, 65 Pac. 156 (New Mexico); *Canal Co. v. State of Louisiana*, 233 U. S. 362.

\*\*British and Colonial Cases: *In re Stockton Iron Furnace Co.*, 10 L. R. Ch. D. 335; *Vidi v. Smith*, 3 El. & Bl. 968; *Fenner v. Wilson*, 62 L. J. Ch. 984; *North British Bank v. Collins*, 1 MacQueen (Scotch Appeal Cases) 369; *Shaw v. St. Louis*, 8 Supreme Court of Canada 385; *Baptist v. Baptist*, 21 Supreme Court of Canada 425; *Ahmed Musaji Saleji v. Hashim Ebrahim Saleji*, Indian Law Reports, 29 Calcutta 758; *Bhup Indur Bahadur Singh v. Bajai Bahadur Singh*, Indian Law Reports, 23 Allahabad 156; *Boloram Dey v. Ram Chundra Dey*, Indian Law Reports, 23 Calcutta 279; *Carles v. Hertz' Trustee*, 1904 Transvaal Supreme Court 584.

sideration. Such a decree can be opened only on petition for rehearing, bill of review, or appeal.

From the point of view of time any order is interlocutory that "speaks between" the beginning and the end of the litigation. But from the point of view of essence only those orders are interlocutory which abstain from determining the merits of any foundational issue of title or right and do no more than control temporarily the possession or use of property or the actions of the parties in order that the decree or decrees on the merits when rendered may be effectively executed.

Injunction cases (and there can be in reason no difference between the equitable protection of patent rights and other rights) furnish a particularly clear example of the essential distinction. An owner of property is harassed by repeated and continuing trespasses. He may bring a common law action for damages on account of the trespasses. But that is not an adequate remedy against a persistent trespasser. So the owner invokes the equitable remedy of injunction devised by the old-time chancellors. In his bill he sets forth his title and right to exclusive possession and the defendant's repeated and continuing trespasses as indicative of the defendant's intent to trespass in the future, and thereupon prays, always for a permanent injunction, and sometimes for a temporary. If on affidavits and other informal and inconclusive evidence the chancellor orders the defendant to refrain until he can determine the equities on a full and formal submission and deliberate consideration of all the evidence and law, the order is not only interlocutory in time but also in essence. But when the parties have submitted everything they have respecting title and right to exclusive possession and the defendant's minatory attitude, and thereupon the chancellor enters a permanent injunction, immediately executable, the order is final in essence on the issues submitted and determined, but may be either final or interlocutory in time relation. It is final in time if the owner asks no damages for past trespasses, or, having asked, waives them. (In *McGourkey v. Toledo & Ohio Ry. Co.*, 146 U. S. 536, 546, it was said that a decree fixing the rights and liabilities of the parties and ordering an accounting before a master is final in time relation, that is, for the purposes of appeal, "if such accounting be not

asked for in the bill.") It is interlocutory in time if the owner sets up and demands his damages for past trespasses and the chancellor reserves that matter for future judicial action. But how comes the chancellor to act at all upon the matter of damages? Injunction, which is the sole basis of the equitable jurisdiction over the bill, is prospective,—it regulates the conduct of the defendant for the future. Damages concern only the past. For them a common law action was proper and adequate. But the chancellor, having rightly taken cognizance of an equitable subject-matter, rightly concludes, in order that there may be a speedy determination of both the equitable and the legal causes of action concerning the same property, not to remit the parties to the common law court, but to entertain the common law cause of action as an appendage of the equitable cause. When the chancellor has found the complainant's title and right to exclusive possession and from evidence of the defendant's repeated and continuing trespasses has found the defendant's threat as to the future, his entry of a permanent injunction exhausts every equitable issue in the bill. But the same evidence that discloses the defendant's threat as to the future usually proves the existence of damages for past trespasses. All that remains in such a case is to ascertain one element, the amount, in order to make the common law cause of action complete. And it is more convenient that this should be done in the court that already has jurisdiction of the parties and has established from the evidence the foundation of the common law cause of action. So the decree of a permanent injunction, determining as it does all the equities of the bill, is final as to the equities, irrespective of whether an accounting of damages for past trespasses is or is not reserved for future action.

With respect to time relation the distinction between a temporary and a perpetual injunction may be ignored without injury to the parties. If a decree that holds or creates a status until a full hearing can be had is challenged, the appeal must be taken within thirty days. Such a decree is interlocutory both in time and in essence. If a decree dismisses an injunctive bill for want of equity, a period of six months is allowed for appeal. Such a decree is final both in time and in essence. If a decree establishes a perpetual injunction and orders an

accounting, no injury is done if, as a matter of procedural law, it be held that an appeal must be taken within thirty days. Such a decree, though final in essence, is interlocutory in time, and, stressing time in procedure, it may be better that the decree be classified as interlocutory for the purposes of appeal. But, although appeals from decrees of temporary injunction and from decrees of perpetual injunction with accounting reserved are thus brought within the same section of the appellate practice statute, no bar to recognizing the difference in essence between temporary and perpetual injunctions is thereby formed. On appeal from a decree of temporary injunction, the only question is whether the trial court abused its discretion in holding or creating a status. If a decree of perpetual injunction with accounting reserved must be held to be interlocutory in essence because it is held to be interlocutory in time, then the only question on appeal would be the chancellor's abuse of discretion. This very contention was presented in *Smith v. Vulcan Iron Works*, 165 U. S. 518, and was rejected.

If a decree of perpetual injunction with accounting reserved is merely interlocutory in essence, then the defendant as a matter of right can insist that the chancellor hear again the same evidence and newly discovered evidence and decide anew the equities of the bill. If such a decree is affirmed on appeal, its character, if interlocutory in essence, is not thereby changed, and the defendant could still insist on having his day in the trial court on the merits. In reply to such an insistence in *In re Potts*, 166 U. S. 263, the court said:

"The decision and decree of this court did not amount indeed, technically speaking, to a final judgment, because the matter of accounting remained to be disposed of. But they constituted an adjudication by this court of all questions, whether of law or fact, involved in the conclusion that the letters patent of the plaintiff were valid and had been infringed. The questions of novelty and infringement were before this court, and disposed of by its decree, and must therefore be deemed to have been finally settled, and could not afterwards be reconsidered by the circuit court."

And the defendant of course could not have the Supreme Court reconsider its final decree on validity and

infringement except by petition for rehearing. Inasmuch as the act creating the Circuit Courts of Appeals requires those courts to hear and determine patent cases in the way theretofore done by the Supreme Court, we had assumed that our books were closed on the questions of the validity and infringement of the Christensen patent ever since 1915.

*Lovell-McConnell Co. v. Auto Supply Co.*, 235 U. S. 383, involved a matter of taxable costs in a Circuit Court of Appeals. The fees in question were not taxable if the decree appealed from was a "final decree." It was held that a decree finding a patent valid and infringed, awarding a permanent injunction, and directing an accounting of damages and profits, was a final decree for the purpose of determining the rights of the parties concerning costs. If a decree that is held to be interlocutory for the purpose of appeal is held to be final respecting a right to costs, how much more important it is that such a decree be held to be final respecting the right to hold a permanent injunction based on findings of validity and infringement after a full submission and consideration of all the evidence and the law bearing on those issues.

In *Hamilton Shoe Co. v. Wolf Brothers*, 240 U. S. 251, the statute governing the issuance of writs of certiorari by the Supreme Court to Circuit Courts of Appeals was interpreted and applied. It was held that a refusal to grant the writ on application to review a decree of perpetual injunction with accounting reserved was not equivalent to an affirmance of that decree by the Supreme Court; and that, a writ of certiorari having been granted after the Circuit Court of Appeals had passed on the accounting, the whole case was before the Supreme Court for review. This procedural decision is not deemed by us to oppose a holding that a decree of perpetual injunction with accounting reserved is a final decree on the equities unless vacated on appeal or writ of certiorari.

*Hart Steel Co. v. Railroad Supply Co.*, 244 U. S. 294, is relied on by petitioner as demonstrating that the decree here in question is merely interlocutory in essence. In that case a bill for infringement was dismissed for want of equity by a District Court in Ohio, and that decree had been affirmed by the Circuit Court of Appeals for the Sixth Circuit. Contemporaneously a bill by the same

complainant against different defendants was pending in a District Court in Illinois, and that bill was dismissed for want of equity. When the appeal from that decree came before this court, the defendants-appellees moved that the decree of the District Court be affirmed on the ground that they were in privity with the defendant in the Ohio case. The Supreme Court held that the issue of the defendants-appellees' having been privies to the decree of the District Court in Ohio was pleadable and the question of fact triable in this appellate court. The decrees of the two District Courts and the decree of the Circuit Court of Appeals for the Sixth Circuit were all final decrees both in time and in essence. No question arose or could arise whether a decree of perpetual injunction, immediately executable, though interlocutory in time by reason of a reserved accounting, is or is not final in essence on the issues of title and right of exclusive use. Our understanding of the Hart case is that the first adjudication on the equities of a bill is binding on the parties and their privies. In what ways that first adjudication may be availed of are matters of procedure. We do not understand that the intention of the parties in submitting their full proofs and the character of such submission and the intention of the court in giving deliberate consideration to all the evidence and law the parties can present and the character of the result of such consideration are dependent upon the subsequent condition that the court shall always deny and never grant the equitable relief prayed for in the bill.

We are unable to find, as a matter of substantive law, that a perpetual injunction has only a temporary purpose and force.

The petition is

DENIED.



FILED  
MAY 28 1918

RECORDED  
MAY 28 1918

IN THE

# Supreme Court of the United States.

OCTOBER TERM, A. D. 1918.

No. 1 **111**

NATIONAL BRAKE & ELECTRIC COMPANY,  
*Petitioner,*

vs.

NIELS A. CHRISTENSEN AND ALLIS-CHALMERS  
COMPANY,  
*Respondents.*

BRIEF OF RESPONDENTS IN REPLY TO PETITION AND  
BRIEF FOR WRIT OF CERTIORARI TO THE UNITED  
STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH  
CIRCUIT.

JOSEPH B. COTTON,  
WILLIAM M. SPOONER,  
LOUIS QUAKER,  
WILLIAM B. RUMMER,  
*Solicitors and of Counsel  
for Respondents.*

ance of said decree of said District Court for the Eastern District of Wisconsin, and remanding said cause to the said District Court with directions for the dismissal by the last mentioned court at the costs of the plaintiff of the said bill of complaint brought against it by said Christensen and Allis-Chalmers Company in the United States District Court for the Eastern District of Wisconsin, Equity Number 474;—said suit being recited in said application or petition to be the same suit which was pending in said Circuit Court of Appeals upon the appeals of the National Brake and Electric Company as No. 2163 of the October Term, 1913, from the interlocutory decree of said District Court enjoining said defendant National Brake & Electric Company from infringing patent No. 635280, as appeared by the transcript upon said appeal then remaining in said court.

By stipulation between counsel for the respective parties, appearing of record herein, it was provided that the record on said application of petitioner in said Circuit Court of Appeals should consist of the petition to the Circuit Court of Appeals, and the answer thereto, and copies of certain portions or excerpts from the testimony, pleadings, decrees, master's reports, etc., in the cause No. 474 in the District Court for the Eastern District of Wisconsin and in the causes in the Circuit Court of Appeals for the Third Circuit and in the District Court for the Western District of Pennsylvania, all of which are in the record herein on this certiorari as returned in obedience to said writ.

Said application by petition was heard by the Circuit Court of Appeals for the Seventh Circuit and denied and said petition or motion of petitioner was dismissed by an order of that court on April 29, 1919, at which time

an opinion was rendered by said court which placed its decision solely on the position that for the purposes of determining the rights of the parties, the decree of the District Court for the Eastern District of Wisconsin entered August 21, 1914, and affirmed by the Circuit Court of Appeals, October 5, 1915, sustaining said patent No. 635280 and finding infringement and ordering an accounting, was a final decree and not an interlocutory decree.

*Second.* That on June 2, 1919, this petitioner, The National Brake & Electric Company, presented to this court a petition for a writ of certiorari from this court to the United States Circuit Court of Appeals to review its said judgment order of April 29, 1919, and supported the same by setting forth in said petition the facts necessary for a consideration of the petition and the grounds on which said petition was based, and also by a brief filed with the said petition upon the questions therein involved. The said plaintiffs Niels A. Christensen and Allis-Chalmers Company filed with this court on the said day a brief made up of a "Statement of Facts" and an "Argument" in opposition to the issuance of said writ of certiorari.

On consideration thereof, this court on June 9, 1919, granted a certiorari which was duly issued and obeyed by the Circuit Court of Appeals of the Seventh Circuit, said cause being No. 382 on the docket of this court.

The said cause, as your petitioner submits, of the *National Brake and Electric Company v. Niels A. Christensen and Allis-Chalmers Company*, No. 474 in Equity in the District Court of the Eastern District in Wisconsin, and No. 2163 in Equity in the Circuit Court of Appeals of the Seventh Circuit, is now, therefore, before this court on and for the purposes of said certiorari. And the

petitioner represents that the record herein returned in said Circuit Court of Appeals in obedience to said writ of certiorari shows exactly the state of facts on which the petitioner founded its application to the Circuit Court of Appeals for the Seventh Circuit in August, 1918, and on being overruled there its application for a certiorari to this court.

*Third.* The petitioner on the granting of the certiorari by the Supreme Court as aforesaid,—being advised and believing that by its own force and effect the said certiorari so issued by this court operates to and does stay until the decision of the cause by this court, the further proceedings in both the Circuit Court of Appeals for the Seventh Circuit in Number 2163 on the docket of said court and in the District Court of the United States for the Eastern District of Wisconsin No. 474 in Equity on the docket of that court (being in each case the suit or litigation between said Christensen and the Allis-Chalmers Company on the one part and The National Brake & Electric Company of the other concerning their rights under patent 635280, as aforesaid),—brought to the attention of the Honorable Ferdinand A. Geiger sitting as judge in the United States District Court for the Eastern District of Wisconsin, and of Harry L. Kellogg, Esq., the master in chancery before whom the said accounting before described is proceeding, the issuance of said certiorari and requested them to stay the accounting and the further proceedings in said cause until this court should have heard and decided the cause so pending on certiorari before

But the said Honorable Ferdinand A. Geiger as sitting judge of the District Court aforesaid and the said Harry L. Kellogg, Esq., master in chancery as aforesaid, declined and refused to further stay said proceedings

ings or order said proceedings or accounting to be stayed as requested, and the Honorable Ferdinand A. Geiger treating said suggestion of this petitioner as a motion to the said District Court of the Eastern District of Wisconsin to stay further proceedings under the decree in said cause, denied the same and rendered an opinion in doing so, expressing his conclusion as follows:

“It may be conceded as quite elementary that ordinarily the issuance of a writ of certiorari carries with it a supersedeas. But I cannot escape the conviction that the judgment which is the subject of the present proceedings in this court is not at all affected, either by the petition filed in the Circuit Court of Appeals, nor by the certiorari issued by the Supreme Court. Such petition filed three years after the Circuit Court of Appeals had exhausted its appellate jurisdiction—and the latter was the only jurisdiction ever invoked—is clearly of the nature of an original proceeding and in my judgment, particularly in view of the refusal of the Court of Appeals to grant the relief prayed for, reaches neither the judgment nor this court.”

*Fourth.* Conceiving that it might be proper, considering the judgment of October 5, 1915, of the Circuit Court of Appeals for the Seventh Circuit affirming the decree of the District Court of the United States for the Eastern District of Wisconsin entered on August 21, 1914, and the fact that the writ of certiorari from this court had been directed to said Circuit Court of Appeals, to apply to the said Circuit Court of Appeals for the Seventh Circuit for a direction to the District Court of the Eastern District of Wisconsin to stay proceedings in the said accounting under said decree, the petitioner The National Brake & Electric Company made such an application by motion before said Circuit Court of Appeals on October 7, 1919, at the coming in of said court for the October Term thereof. The said Circuit Court of Ap-

peals holding that since the issuance of the certiorari, it had no longer any jurisdiction over said cause or application, denied the said motion for such want of jurisdiction.

*Fifth.* The petitioner now moves this court, by writ of prohibition or other proper writ, direction or order, to direct the said Honorable Ferdinand A. Geiger, judge of the District Court of the United States, for the Eastern District of Wisconsin, and Harry L. Kellogg, Esq., master in chancery as aforesaid, to stay the further accounting in said cause of *Christensen v. The National Brake & Electric Company*, and any further proceedings in said cause under the decree rendered by the said District Court in said cause on August 21, 1914, until the further order of this court or the decision by this court of the cause, *The National Brake & Electric Company v. Niels A. Christensen and Allis-Chalmers Company*, No. 382 on the present docket of this court, for the following reasons:

(a) That such stay is the legal effect of the said certiorari issued as before set forth and described, and that the said Honorable Ferdinand A. Geiger and the said Harry L. Kellogg, Esq., master in chancery, have refused to take notice of and abide by said certiorari and the legal effect thereof, and

(b) That if such stay of the said accounting and further proceedings in said cause, be not as the petitioner is advised and believes it to be, the effect by its own force of the certiorari before described, issued by this court on June 9, 1919, it is respectfully asked that this court should exercise its power and discretion to direct such stay in furtherance of its jurisdiction and in order to make effective the certiorari which it has ordered and

by virtue of which the said cause is before this court for consideration and decision.

Should this court deem that it is the proper course of proceeding in such a case as this to move for leave to file a petition for a writ of prohibition or other proper writ or order, then the petitioner asks that this motion or application shall be regarded and taken as such application for leave to file a petition for such writ of prohibition or other writ or order, and that an order granting such leave be made.

Respectfully submitted,

NATIONAL BRAKE & ELECTRIC COMPANY,

*Petitioner.*

By THOMAS B. KERR,

CHARLES A. BROWN,

*Its Solicitors.*

JOHN S. MILLER,

EDWARD OSGOOD BROWN,

*Of Counsel.*





IN THE  
SUPREME COURT OF THE UNITED STATES,  
October Term, A. D. 1919.

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No. 382.

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National Brake & Electric Company,  
*Petitioner,*

*vs.*

Niels A. Christensen and Allis-Chalmers Company,  
*Respondents.*

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**BRIEF IN SUPPORT OF THE PRECEDING MOTION.**

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In compliance with our understanding of the rule of this court, we have incorporated in our written motion or petition submitted herewith, a statement of the facts and the objects of the motion—and there is little to add thereto, as we conceive. It would be superfluous to attempt an argument addressed to this court on the general effect of a certiorari issued by it to an inferior court in any given cause, whether that court is the intermediate and appellate tribunal or a court of original jurisdiction in which the litigation which is the subject of the certiorari, originated.

On this point, this court is, of course, the interpreter of its own process, mandates and orders. We can only submit to this court that which we submitted to the District Court of the Eastern District of Wisconsin, that it certainly is the general rule that a writ of certiorari from

this court is in and of itself a supersedeas in the litigation in which it is issued until this court has disposed of the subject matter and contentions involved in it. This has been hitherto invariably recognized by the inferior federal courts, as we believe, when the question has been raised. When the certiorari from this court has been directed to the Circuit Courts of Appeal, those courts have, as did in the instant case the Circuit Court of Appeals for the Seventh Circuit, declined—because their hands were tied and their jurisdiction of the case for the time lost by the certiorari—to make any direction to the court in which the litigation originated. But they have coupled frequently with that refusal and declination a statement that the certiorari was *proprio vigore*, a supersedeas and direction to the lower court to proceed for the time no further with the litigation.

Thus the Circuit Court of Appeals of the Ninth Circuit in *Waskey v. Hammer, et al.*, 179 F. R., 273, said, speaking of a certiorari issued to it by this court:

“It would seem upon principle in view of the effect of the writ and consequent stay that all proceedings in this court as well as in the District Court of Alaska to which the mandates of this court were issued, are stayed until the decision of the Supreme Court shall be rendered upon its review of the judgment of this court, and that notice of the issuance of the writ should be brought to the attention of the District Court in order that it may direct a stay of further proceedings, and that this court is powerless to act in the premises.”

And in *Louisville N. A. & C. Ry. Co. v. Louisville Trust Co., et al.*, 78 F. R., 659, the Circuit Court of Appeals of the Sixth Circuit, in declining to set aside because of a certiorari from this court an order of dismissal it had made, said:

“It (the certiorari), however, suspends any further act by the Circuit Court of Appeals or by the

*trial court in obedience to the adjudication of the Circuit Court of Appeals, after the writ has been awarded or at least when the court is notified of the issuing of the writ of certiorari by the Supreme Court and its service upon the Circuit Court of Appeals."*

And in *Bailey v. Lansing*, 13 Blatchford, 424, Judge Wallace in the Circuit Court of the Northern District of New York said that the decisions are uniform that:

*"Upon the allowance of a certiorari the effect of a judgment which it is taken to review except in the single case of an execution already issued and in process of being executed is suspended as to all proceedings under it and as to all collateral matters. The judgment is not even evidence in a case between the same parties. It is as completely suspended as though it had never been rendered."*

And the Circuit Court of Appeals of the Seventh Circuit in deciding against us in the instant case, the application which *ex majori cautela* we made to it for direction to the District Court, placed its decision not on any difference in view as to the effect of a certiorari nor on any supposed or technical distinction between the cause in which the certiorari was issued and that in which we desired the proceedings stayed, but solely on the want of jurisdiction after the certiorari had been granted by this court, to issue any instruction or direction to the District Court in the cause involved. It reminded us properly enough that it was the jurisdiction of this court and the effect of the process of this court we were invoking, and that to this court, therefore, must be referred the protection of its own jurisdiction and the effect of its own process when ignored by any subordinate court.

Nor did the learned judge of the District Court in refusing to order a stay of proceedings in the litigation fail to recognize the general effect of a supersedeas. The

passage from his opinion, which we have quoted in the written motion prefixed, distinctly shows such recognition. "It may be conceded as quite elementary," he said, "that ordinarily the issuance of a writ of certiorari carries with it a supersedeas."

But he places his refusal entirely upon the theory that our application of August 19, 1918, to the Circuit Court of Appeals was "clearly of the nature of an original proceeding and . . . particularly in view of the refusal of the Court of Appeals reaches neither the judgment nor this court."

We understand him in this statement to mean by "the judgment" the decree of the District Court of August 21, 1914, finding the patent 635280 valid and infringed and ordering an accounting. On the theory of the learned judge thus presented, we may, therefore, perhaps be justified in briefly commenting.

Our application to the Circuit Court of Appeals on August 19, 1919, was not "an original proceeding" in any such sense as the district judge conceived. The District Court's conception that it was an original proceeding assumed that the view of the Circuit Court of Appeals of the Seventh Circuit that the decree of the District Court in Wisconsin, and its own order of affirmance, were final and not interlocutory, is to be accepted. This conception, for the purpose of this certiorari, its scope and its effect as a stay of proceedings, is clearly a mistaken one. The said application sought the vacation of a decree maintained to be interlocutory because of a final decree thereafter entered in another court which constituted a positive bar and defense to the suit in which the interlocutory decree had been entered and was a proceeding in the same suit. We made such application to

the Circuit Court of Appeals. This was because the affirmance and mandate of the Circuit Court of Appeals stood in the way of a successful issue of any such application originating in the District Court although it might be carried for review to the court above. In that sense only, that is, as distinguished from an appeal or writ of error, the application or proceeding was "original" in the Circuit Court of Appeals, but certainly not in the sense that it was an "independent," "disconnected," "separate" or "new" suit.

The petition and proceeding in the Circuit Court of Appeals, which is under review on this certiorari, was entitled and made in the case No. 2163, *National Brake and Electric Company, Appellant v. Niels A. Christensen and Allis-Chalmers Company, Appellees*, which was an appeal from the District Court in Wisconsin, in which the Circuit Court of Appeals had entered its judgment affirming the decretal order of the District Court in the suit of said appellees as plaintiffs against said appellant as defendant, adjudging letters patent No. 635280 to be valid and enjoining said defendant, National Brake Company, for the term of said patent. Said petition or motion in the Circuit Court of Appeals was further entitled:

"In the matter of the application of National Brake and Electric Company for an order directing the dismissal of the bill of complaint brought against it by said plaintiffs in the United States District Court for the Eastern District of Wisconsin, In Equity No. 474, and for a stay of proceeding in the District Court until application is heard and determined."

And such was its nature and purpose. It was as clearly directed to the setting aside of said decree of the District Court sustaining the patent and to the dismissal of the bill as was the appeal which had formerly been taken in the same case to the Circuit Court of Appeals. It was

based on the ground that the decree of the District Court and the judgment of the Circuit Court of Appeals affirming the same were respectively interlocutory and not final and, therefore still in the breast of the court. Under and in view of the ruling of the Supreme Court in *In re Potts*, 166 U. S., 263, and other cases, deciding that although such a decree of a trial court be interlocutory, yet after it has been reviewed by an Appellate Court, the trial court cannot without leave of the reviewing Appellate Court proceed to enter an order or decree inconsistent with the mandate or reviewing order of the reviewing court, the application was made directly to the Circuit Court of Appeals.

The record on which it was presented was made up by stipulation by copies of everything in the instant case and in the Pennsylvania case that bore on the question presented, and the "instant case" was the suit brought by Christensen (joining the Allis-Chalmers Company) against the National Brake and Electric Company in the District Court of the Eastern District of Wisconsin, carried on appeal by the National Brake & Electric Company to the Circuit Court of Appeals for the Seventh Circuit—and there decided against our client in what was maintained was an order affirming an interlocutory decree of the District Court and, therefore, itself interlocutory but which the plaintiff maintains was a final order of affirmance affirming a final decree of the District Court.

To treat the motion and application to the Circuit Court of Appeals as an "independent" or separate or disconnected or new suit in which the certiorari issued by this court can have no effect upon the District Court and the decree (which we contend was interlocutory) of that court in Bill in Equity No. 474, seems to us, therefore, with all respect to the learned judge of that court who so holds, erroneous, un-

reasonable and inadmissible. It was a substantive part of that case, and, therefore, it seems to us that the certiorari of this court issued to the Circuit Court of Appeals by its own force and vigor, operated or should operate as a supersedeas in that court until this court shall have decided the contentions involved, and that because when brought to the attention of the District Court and its officers, that proper effect and operation have been denied to it, we are justified in asking directions to allow them.

And, indeed, if the certiorari issued from this court does in the opinion of this court not *proprio vigore* act as a supersedeas in the Wisconsin District Court when brought to its attention, we ask in our petition that it should exercise its indubitable power to issue the process we pray for, to protect under the circumstances of this case, its jurisdiction and its process.

By issuing the certiorari in question, this court by implication held that the question involved and our contention in the case presented were matters "open to controversy" (*Lau Ow Bew Petitioner*, 141 U. S., 583), "weighty and serious" (*In re Woods*, 143 U. S., 202), and that the issuance of the certiorari was necessary "to prevent extraordinary inconvenience and embarrassment in the conduct of the case." (*American Construction Company v. Jacksonville Railway*, 148 U. S., 372.)

The case in right reason stands as though this court were considering on appeal the original decree and affirmance with the additional factor which did not exist at the time of their rendition that there has been a final decree in the Pennsylvania court holding patent 635280 void; and with the additional factor that this court, upon looking into the record, has granted the certiorari.

An elaborate and expensive accounting with an infinity



of details is going on under the direction of the District Court in Wisconsin. If the contentions of the defendant to the suit (the applicant here) for the summary stoppage of this litigation, because of developments and judicial action in another jurisdiction subsequent to the decree ordering the accounting, are correct, then the labor and time given to the further accounting will be futile and wasted. Moreover, if those contentions are correct, they strike at the very basis of the litigation, and everything done under the decree of the District Court in Wisconsin will, so far as it is possible to accomplish it, have to be undone, set aside and rectified. If the accounting is not to be stayed until this court has passed on the "weighty and serious matter"—"open to controversy" and likely to produce "extraordinary inconvenience and embarrassment," there is no line that can be drawn as to what should be stopped under that decree in the way of sequestration, execution and enforcement.

If the accounting and subsequent proceedings are to go on as uninterruptedly as if the Supreme Court had not taken this matter involving the whole merits and essence of the controversy into its consideration (precisely as though it had been carried there by appeal), we cannot see what "embarrassment and inconvenience in the conduct of the case" would be avoided. If they are stayed, such embarrassment and inconvenience may well be avoided.

If the Circuit Court of Appeals on our application had ruled the other way and held the decree of the Wisconsin court interlocutory and that of the Pennsylvania court final, had acceded to our request and instructed the District Court to vacate the reference on the order for the accounting, to vacate its decree holding 635280 a valid patent, and to dismiss the bill, or to do any one or

more of these things—and plaintiffs Christensen *et al.* had sought and obtained a certiorari from this court, there would have been no question that by that certiorari these affirmative acts which the District Court had been instructed to perform would have been stayed until this court had decided the case.

The learned judge of the District Court, when declining to stay proceedings under the present certiorari, so conceded. He placed the distinction upon the fact that in the one case the Circuit Court of Appeals would have recalled a mandate binding on the District Court—in the other it would not have done so. If this does create a distinction in the actual legal effect of the certiorari, which we cannot believe, it creates no distinction as to the expediency and justice of a stay during the consideration of the cause by this court. In essence the difference in the situation makes more expedient and just such a stay in the actual than in the hypothetical case. An order of the Circuit Court of Appeals vacating the accounting already had or dismissing the bill might, on final decision the other way by this court, be in its turn vacated and the *status quo ante* restored without expense or "extraordinary inconvenience and embarrassment." But that is palpably not the case with the *prosecution* of the proceedings which this court may on consideration of the record now before it hold erroneous, futile and improper.

Therefore, it is that we ask, that even if this court should not hold that by its own inherent nature and force the certiorari demands a stay of the proceedings in the Eastern District of Wisconsin, it nevertheless would in its discretion direct such stay by the prohibition prayed for, or such other writ, direction or order as may be appropriate in the furtherance of justice and in the protection of its jurisdiction.

Our motion here finds authority in *Bronson v. La-Crosse Railroad Company*, 1 Wallace, 405, as in accordance with the practice of this court. And we have no doubt that if this court concludes and should indicate that the proceedings in the District Court should be stayed as was done in the Bronson case, the distinguished judge of that court would need nothing further, and that no writ or formal order would be called for.

Respectfully submitted,

THOMAS B. KERR,

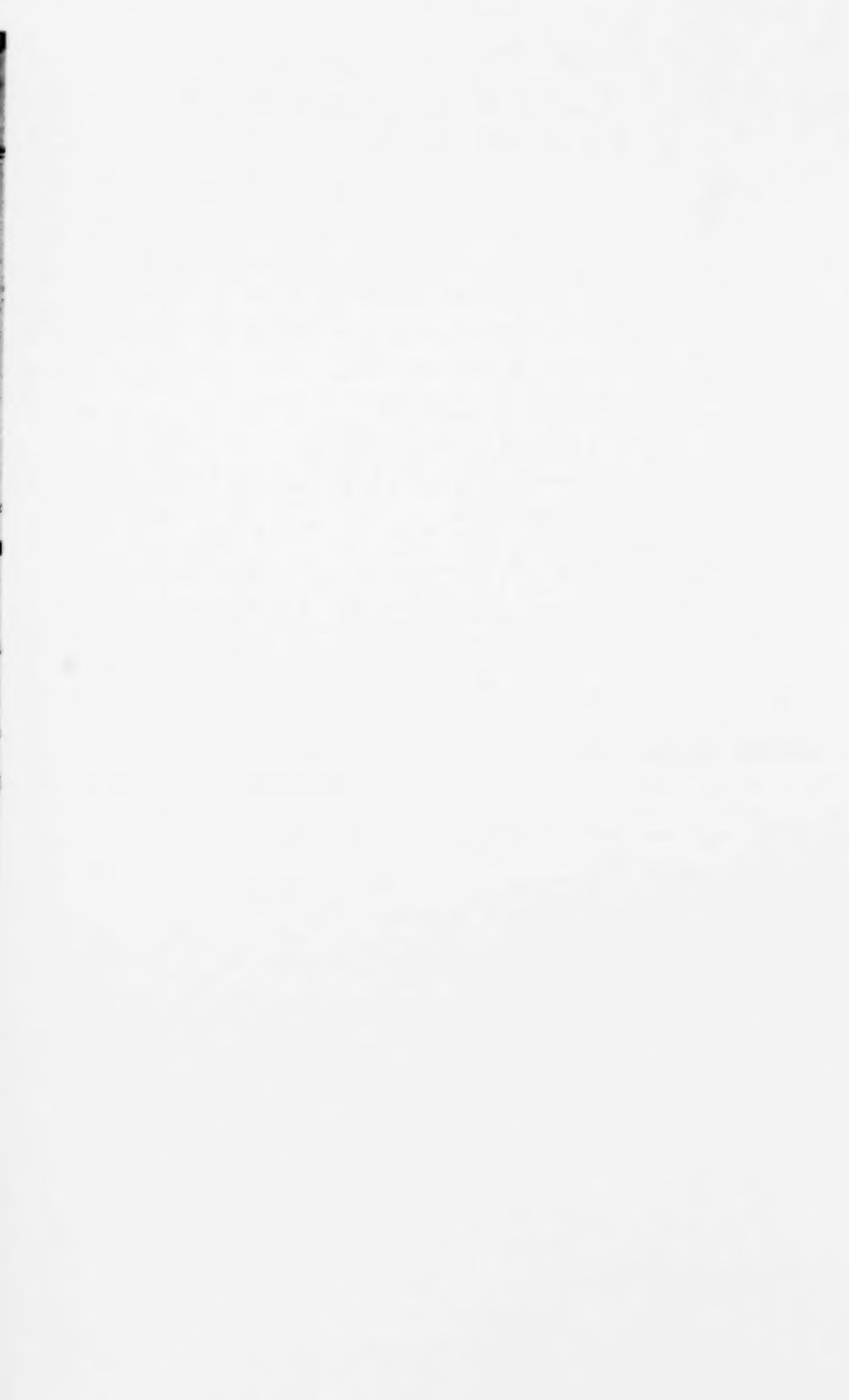
CHARLES A. BROWN,

*Solicitors for The National Brake & Electric Co.*

JOHN S. MILLER,

EDWARD OSGOOD BROWN,

*Of Counsel.*



FILED

OCT 27 1919

JAMES D. HAGER,  
CLERK.

**IN SUPREME COURT OF THE UNITED STATES.**

**OCTOBER TERM, A. D. 1919.**

**No. 111**

**NATIONAL BRAKE & ELECTRIC COM-  
PANY,**

*Petitioner,*

**vs.**

**NIELS A. CHRISTENSEN and ALLIS-  
CHALMERS COMPANY,**

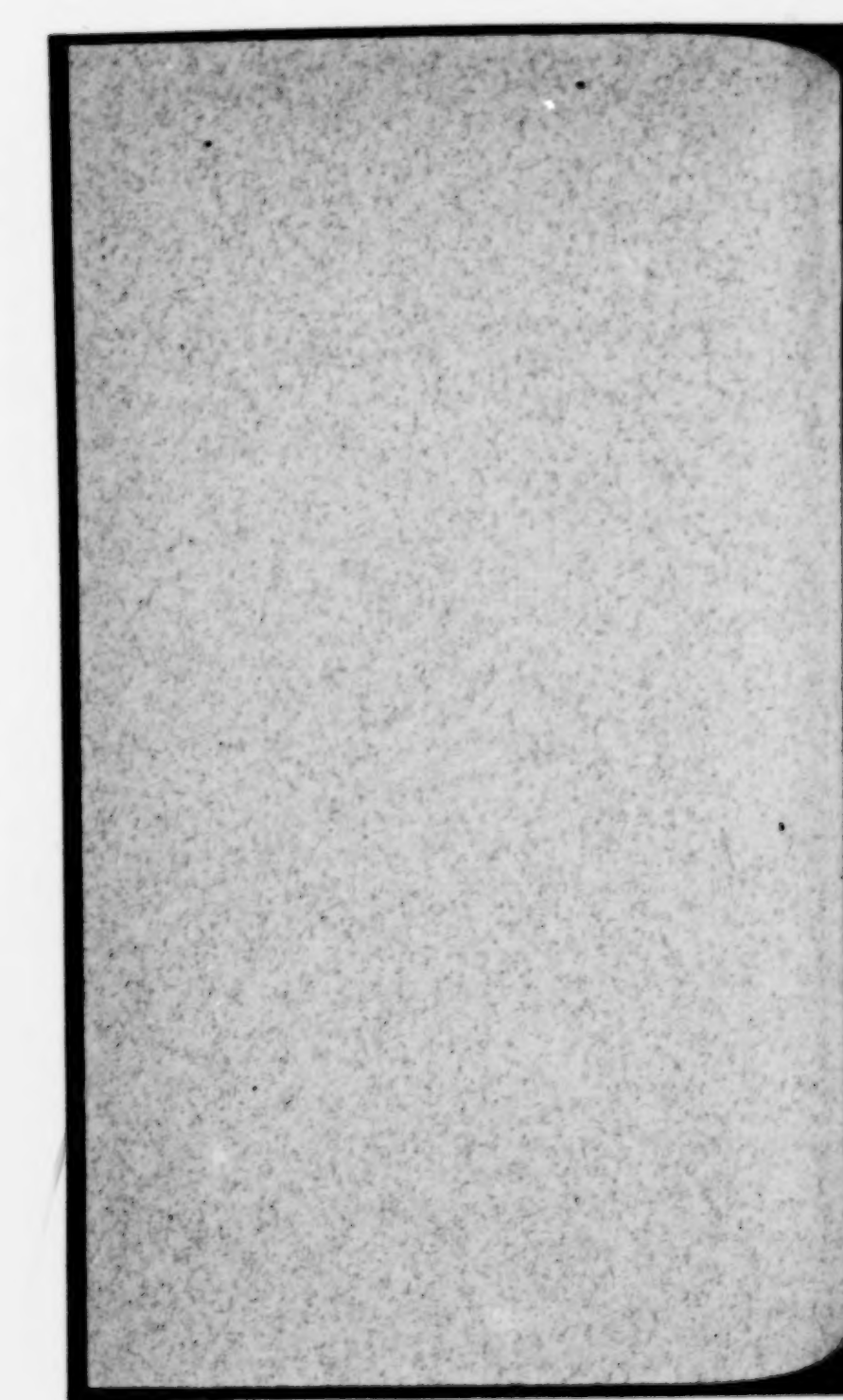
*Respondents.*

Certiorari to the  
United States  
Circuit Court of  
Appeals for the  
Seventh Circuit.

**BRIEF IN OPPOSITION TO MOTION FOR WRIT OF PRO-  
HIBITION AND STATEMENT OF FACTS  
CONCERNING SAID MOTION.**

**JOSEPH B. COTTON,  
WILLET M. SPOONER,  
WILLIAM B. RUMBLEE,  
LOUIS QUARLES,**

*Solicitors and of Counsel for Respondents.*



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**IN SUPREME COURT OF THE UNITED STATES.**

**OCTOBER TERM, A. D. 1919.**

**No. 382.**

**NATIONAL BRAKE & ELECTRIC COM-  
PANY,**

*Petitioner,*

**vs.**

**NELS A. CHRISTENSEN and ALLIS-  
CHALMERS COMPANY,**

*Respondents.*

Certiorari to the  
United States  
Circuit Court of  
Appeals for the  
Seventh Circuit.

**BRIEF IN OPPOSITION TO MOTION FOR WRIT OF  
PROHIBITION.**

**STATEMENT OF FACTS.**

This is a motion by the petitioner for a writ of prohibition directed to the United States District Court for the Eastern District of Wisconsin and its Master in Chancery, and is entitled in a matter pending in this court on certiorari issued to review a judgment of the United States Circuit Court of Appeals for the Seventh Circuit denying the relief sought by an original petition filed therein by the petitioner herein as petitioner therein. That petition was filed by the petitioner August 19, 1918, in the Circuit Court of Appeals for the Seventh Circuit and set up that an accounting proceeding was pending in certain patent litigation in the District Court for the Eastern District of Wisconsin (known as Equity 474), pursuant to a decree of said District Court and a mandate of affirmance thereof by the Court of Appeals October 5, 1915, almost three years prior, and demanding that the

2

Court of Appeals direct the District Court not only to refuse to proceed further with said suit but to determine it on the merits in favor of petitioner and dismiss the bill because of certain judgments entered in its favor by the District Court of the United States for the Western District of Pennsylvania, and the Circuit Court of Appeals for the Third Circuit.

The suit thus sought to be ended was a suit then and now pending in the said District Court of the United States for the Eastern District of Wisconsin, known as *Equity 474*; the respondents are plaintiffs therein and the petitioner is defendant. It is a suit in Equity, for infringement of a grant of patent monopoly right evidenced indifferently by two patents numbered 621,324 and 625,280 respectively (called the first and second patents respectively). It appeared that the first patent when issued to respondent Christensen was inaccurate, in that it contained a fugitive sheet of drawing. He thereupon returned it to the patent office with the request that a correction thereof be made, and that was done by the office marking the patent cancelled and issuing to him a second patent identical in every respect with the first patent except only the omission of the fugitive sheet and the date and term thereof. (Rec. p. 87).

The District Court after trial by a decree, entered on August 21, 1914, found that respondent Christensen was the owner of a valid patent, that it was infringed, and ordered a perpetual injunction and an accounting (Rec. p. 39). The decree for convenience in terms referred to the second patent. The court in its opinion did not deem it material which of the patents evidenced the grant, but said:

"Whether the patent be evidenced by one, the other or both, is not, in view of the issues now before the court, material \* \* \* the question, upon the present state of the case, is therefore, academic only" (Rec. p. 34).

This decree was affirmed by the United States Circuit Court of Appeals on appeal (No. 2163), October 5, 1915, the court saying in its opinion:

"It is no moment which of the two patents be held to be in force. The surrender for cancellation of the one was conditioned upon the grant of a valid legal substitute. If the Commissioner of Patents was without authority to issue the second, then, in our judgment,

ment, his action in cancelling the first must be deemed legally ineffective \* \* \*. This is a case of pure clerical error not of double patenting. While two documents have been issued, there is but a single grant of one and the same right to the same person" (Rec. p. 44).

A petition for certiorari was denied Feb. 21, 1916 (24 U. S., 659).

The District Judge further placed himself on record as to the basis of his decree of August 21, 1914, and the academic nature of the reference therein to the second patent, saying:

"I may say, preliminarily, that, when the substance of things is considered, there was no reason why the interlocutory decree entered by this Court should have categorically answered the question, whether Patent Number 635,280 is a valid patent. My own judgment is that the Bill did not tender that issue \* \* \*. \* \* \* It cannot be gainsaid that, had the decree of this Court recited the ultimate facts relative to the issuance of the two paper documents, and then adjudged that the grant evidenced by the identical claims of the two was valid and infringed, the decree would have been an entirely proper one, and, certainly, more in consonance with the Bill and the record in the case (Rec. p. 248).

Thereafter, and on March 4, 1916, the record was returned to the District Court with the mandate of the Circuit Court of Appeals and on that date an accounting commenced before Harry L. Kellogg, Esq., as Master and has proceeded so far that he rendered his final report therein on the 26th day of March, 1919, complete in all respects excepting only certain clerical computation of figures which he directed petitioner's accountants to do forthwith.

After this court's denial of the writ of certiorari in 1916 respondents commenced an action based on the same patents against Westinghouse Traction Brake Company. Before filing an answer therein the patents expired leaving only the questions of accounting, and in view of the fact that no notice of infringement was claimed to have been given to the Traction Brake Company and that the marking was solely under the second patent, the Court of

Appeals for the Third Circuit decided that the defendant was entitled to a judgment on the bill and answer as to which of the two patents was the valid evidence of the grant, and found in favor of the first patent, directed the case to proceed to trial in the District Court thereon, and to be dismissed as to the second patent No. 635,280 only (Rec. p. 113). No decision has ever been rendered on the merits of the first patent.

On this state of the record in these two cases an original petition was filed in the Circuit Court of Appeals for the Seventh Circuit in the nature of a motion for writ of prohibition or an application for bill of review directed to the District Court and commanding it to dismiss the accounting then pending in the aforesaid original case, Equity No. 474, upon the merits because of an alleged conflict between the judgment of the Court of Appeals in the Third Circuit and the Court of Appeals in the Seventh Circuit, claiming that the Third Circuit had held that the second patent was void, that the proceedings in the Seventh Circuit were founded solely thereon, and that they should therefore fall because of *res adjudicata*. This claim was based on the allegation of privity between the defendants in the two actions, which was and is strenuously denied and which question has never been determined by either the District Court or the Court of Appeals.

An answer was filed to this petition and the issues made thereon were submitted to the Court of Appeals upon a record consisting of excerpts from pleadings, decrees, testimony, etc., in the cases in both the Seventh and Third Circuits, and it is that record which has been transmitted to this court on the writ of certiorari.

This petition for determination of the litigation was made about three years after the expiration of the term at which the affirmance of the decree of August 21, 1914 was made; and no part of that proceeding commenced in the District Court and known as Equity 474 was or for years had been pending in the Court of Appeals.

Since the denial of this original petition, petitioner has applied to the District Court in Wisconsin for an order staying proceedings which has been refused. It has also applied to the Court of Appeals for the Seventh Circuit with a similar result. Inasmuch as reference has

been made in the petition and annexed brief to the opinion of the District Judge on this motion, we take the liberty of annexing a copy thereof as Appendix A to this brief.

## OUTLINE OF ARGUMENT.

1. The judgment of the Circuit Court of Appeals to review which this court issued its writ of certiorari, was rendered in a suit commenced in that court by original petition and pending therein on petition, answer, and stipulated record.

2. A writ of certiorari operates to remove the record in the suit and to the court to which addressed and therefore incidentally acts as a stay of proceedings; but such stay is limited to the court and suit the record in which is sent up in the return to the writ.

3. The return to the writ of certiorari issued by this court brought up for review the petition, answer, and record in the Court of Appeals in the original proceeding therein and that alone.

4. As the accounting proceedings now by this motion sought to be stayed never were pending in the Circuit Court of Appeals, this court secured no jurisdiction thereover and consequently the writ does not operate as a stay therein.

5. The proper method to obtain a review of the decree of the Court of Appeals was by appeal to this court as that decree was not made final by the provisions of the Judicial Code. Certiorari will not lie thereto and should therefore be dismissed.

6. A writ of prohibition or mandamus will not lie to stay the completion of patent accounting proceedings merely because a question of law which may ultimately effect the accounting proceedings is pending before this court for decision on certiorari.

7. The extraordinary remedy of prohibition will lie only to review want of jurisdiction in a lower court. It will not lie to review the exercise of a judicial function by an inferior tribunal, nor is a motion of this kind proper.

8. Petitioner will not be benefitted by the staying of the accounting, but on the contrary, respondents will be irreparably damaged thereby.

## ARGUMENT.

## I.

THE JUDGMENT OF THE CIRCUIT COURT OF APPEALS TO REVIEW WHICH THIS COURT ISSUED ITS WRIT OF CERTIORARI, WAS RENDERED IN A SUIT COMMENCED IN THAT COURT BY ORIGINAL PETITION AND PENDING THEREIN ON PETITION, ANSWER AND STIPULATED RECORD.

The proceeding in the Circuit Court of Appeals for the Seventh Circuit to which the writ of certiorari from this court was addressed was not pending on a writ of error or appeal of any kind or description, but was an original proceeding commenced therein by original petition praying a judgment directing the District Court of Wisconsin to cease further litigating a cause then pending in said District Court on the claim that all the issues therein had been disposed of by a judgment rendered in the Third Circuit. The issues were framed by pleadings made up in that court, to-wit: petition and answer, both duly verified, and the record was made up of excerpts from the proceedings in the divers litigations claimed to be in conflict. No part of the record was made up by transmittal to that court of the record in any cause pending in the District Court in Wisconsin.

An analysis of the petition addressed to the Court of Appeals shows conclusively that it initiated an original and independent proceeding.

The petitioner asked the court for an order directing the District Court to dismiss the aforesaid suit pending below, on the following grounds: "This motion is based upon the ground that all of the issues in the case have been fully and finally determined and adjudicated in said defendant's favor by the United States Circuit Court of Appeals for the Third Circuit and by the final decree of the District Court for the Western District of Pennsylvania in the suit between the said plaintiffs and the Westinghouse Traction Brake Company, with which company this said defendant was in privity" (Rec. p. 2).

The prayer in the petition is similarly framed, reading:

"This applicant and petitioner moves and prays  
\* \* \* that this Honorable Court take jurisdiction \* \* \*

hereof and inquire into and determine the status of said case as herein outlined, and as to the force and effect of said final judgment and order in the said suit in the District Court for the Western District of Pennsylvania, and find and adjudge that the same was and is a valid and final adjudication against said patent, No. 635,280, and that the said patent last mentioned was and is invalid and void: (similar allegations that the first patent had been adjudged void in equity 474) \* \* \* and that this defendant is entitled thereon to a final decree in said suit in the District Court for the Eastern District of Wisconsin, dismissing said suit for want of equity; \* \* \* (Rec. p. 5).

The prayer continues and asks that necessary writs of certiorari, etc., be issued to carry out the demands of the petitioner.

The Court of Appeals for the Seventh Circuit took the same view of the petition that we do and in their opinion they state:

"And now petitioner comes before us *in an original proceeding*, asking that we recall our mandate, vacate our decree, find that the Pennsylvania decree is *res adjudicata* in this case, and thereupon direct the vacation of the Wisconsin decree and the dismissal of the bill on the merits" (Italics ours) (Rec. pp. 256-7).

The learned counsel for petitioner in their petition to this court for the writ of certiorari took the same position, for that petition states the proceeding was an "original proceeding entitled as above, *National Brake & Electric Company, Petitioner, v. Niels A. Christensen and Allis-Chalmers Company, Respondents*: An application for an order directing dismissal of the bill brought in the United States District Court for the Eastern District of Wisconsin." (Petition p. 10).

It is further stated in the petition "that the said Circuit Court of Appeals in denying the said application or motion placed its decision solely on the position that for the purposes of determining the rights of the parties and of constituting the basis of a plea on claim of *res adjudicata* the decree \* \* \* was a final decree and not an interlocutory decree." (Petition p. 6.) To the same effect, see allegations p. 8 thereof. Furthermore it is set forth in the said petition

that no question of jurisdiction or practice arises because "the Circuit Court of Appeals took jurisdiction of the application, considered the same as an original proceeding \* \* \* and decided the same as before set forth solely on the question of the final or interlocutory nature of the decree of the Wisconsin District Court." (Petition p. 9.)

On a motion for stay of proceedings in the accounting case in the Eastern District of Wisconsin made to District Judge Geiger the question was sharply presented, elaborately argued, and the Judge reached the same conclusion, holding that the writ of certiorari did not stay the proceedings because the writ issued to and reviewed only the independent suit commenced and pending solely in the Court of Appeals. See Appendix A.

The petition was lodged in the Court of Appeals about three years after it had rendered its decision and sent down its mandate affirming the validity of respondent Christensen's patent, and the term had long since expired. It must be conceded that the power of the Court of Appeals over its mandate expired with the expiration of the term at which it was rendered:

*Waskey et al. v. Hammer, etc. Co.*, 179 Fed., 273 (C. C. A., 9th Cir.)

*Westinghouse T. B. Co. v. Orr*, 252 Fed., 592 (C. C. A., 3rd Cir.)

and therefore the Court of Appeals could entertain the petition, if at all, solely as an original proceeding, not a proceeding in aid of its appellate jurisdiction, for that had been exhausted, neither was it in aid thereof but was contrary thereto and was therefore addressed to it originally.

Neither does the nature of the petition to the Court of Appeals and the proceedings instituted thereby depend for its character upon the finality or lack of finality of the previous decree and mandate of that Court. Whether the decree be final or interlocutory is not material in considering the nature of the proceeding. In either event jurisdiction over the decree was lost by the expiration of the term and equally in either event the relief prayed for was based not on the record in the suit but facts *dehors* that record. The petition therefore was in the nature of an application for a bill of review.

The point is attempted to be made by counsel for petitioner because they attached to the title to the petition "No. 2163," which was the number given by the Court of



Appeals to the previous appeal in the case. We submit that the mere caption or title placed upon the petition by petitioner itself, cannot change the inherent nature of the proceeding. It is like Lincoln's famous saying about the lamb with five legs which was extant if the tail was called a leg, that "calling it a leg don't make it a leg." If any reliance is to be made upon captions and titles we think the only conclusion to be deduced therefrom is in our favor in that the authority which is petitioner's sole reliance—*In re Potts*, 166 U. S., 263, was not entitled in the action, to-wit: *Potts v. Crager*. That was as this is, an independent proceeding addressed to an appellate tribunal in the nature of a request for leave to file a bill of review and based upon facts happening *puis darrein continuance*.

## II.

A WRIT OF CERTIORARI OPERATES TO REMOVE THE RECORD IN THE SUIT AND TO THE COURT TO WHICH ADDRESSED AND THEREFORE INCIDENTALLY ACTS AS A STAY OF PROCEEDINGS: BUT SUCH STAY IS LIMITED TO THE COURT AND SUIT THE RECORD IN WHICH IS SENT UP IN THE RETURN TO THE WRIT.

It is elementary that the function of the writ of certiorari is to remove the record from the court to which addressed to the court issuing the writ. This was done by the return to the writ. When the record is removed from the court it follows that that court loses jurisdiction of that matter in so far as it is dependent upon the record. A court cannot proceed without a record before it and when the record is transmitted to a higher court the jurisdiction of the lower court is for the time being transferred to and vested in the appellate tribunal.

As a necessary consequence of this rule the power of the lower court over the particular proceeding is suspended and therefore the writ of certiorari has the incidental effect of a stay.

The result of the granting of the certiorari was to remove from the Court of Appeals the record then in that court on the original petition, and we frankly concede that it had the effect of a supersedeas in that proceeding and in that court for the reason that it removed the record therefrom and transferred it to this court. The authorities abundantly support this proposition and the reason underlying it. Thus in

*Ewing v. Thompson*, 43 Pa. St., 372,

the court, speaking through Judge Strong, afterwards Justice of the United States Supreme Court, said:

"On the same day a *certiorari* was sued out of this court by the complainant to remove the record of the contest in the court of Quarter Sessions, and it was served. The effect of that writ was to stay further proceedings in the court below, and to remove the record of the case into this court. That such is the effect of a *certiorari*, except in cases where the legislature has made a different rule, is the doctrine of all the cases. It is not itself a writ of *supersedeas*, but it operates as one by implication. Originally in fact, and now always in theory, at least, it takes the record out of the custody of the inferior court, and leaves nothing there to be prosecuted or enforced by execution."

Also in

*Neuman v. State*, 76 Wis., 112,

it has been held:

"The effect of the issuing and serving of the writ is not to open or vacate the judgment or action of the inferior tribunal, like an appeal giving a new trial upon the merits, but merely to remove the records thereof to the superior court for inspection, and thus enable such court to determine whether the inferior tribunal had the rightful jurisdiction or the rightful authority to render such judgment or perform such act."

In

*Commonwealth v. Kistler* (Pa.), 21 Atl., 216.

the court said:

"The writ of *certiorari*, as said by Strong, J., in *Ewing v. Thompson*, 43 Pa. St., 372, 'is not in itself a writ of *supersedeas*, but it operates as one by implication,' because it takes the record out of the custody of the inferior court, and leaves nothing there upon which to proceed. If anything remains outstanding, and not removed, then action upon such matter is not superseded. \* \* \* *The suspensory power of the writ, therefore, arising merely by consequence, from the removal of the record, it operates only on the court and parties directly connected with the proceedings. Action by other parties and upon collateral matters is not interfered with.* \* \* \*"

The effect of a writ of *certiorari* therefore is, by re

moving the record from the court to which addressed, to tie its hands and prohibit it from taking any further action therein. Matters in that court and in that proceeding therein are to remain *in statu quo ex necessitate rei*. That rule has been distinctly laid down and applied in a case almost if not entirely analogous to the case at bar in the decision so strongly relied on by petitioner in the proceeding instituted by it by petition in the District Court (before Judge Geiger), to-wit:

*Waskey v. Hammer* 179 Fed., 273 (C. C. A., 9th Cir.)

That involved an action of trespass commenced in the District Court of Alaska. An appeal was taken to the Circuit Court of Appeals and after the rendition of its judgment and issuance of its mandate a writ of certiorari was granted by the Supreme Court from the decision of the Court of Appeals. A motion was then made in the Court of Appeals asking that it recall its mandate so as to vacate the proceedings in the District Court. The court held that it had no power to do this, that the granting of the certiorari operated to stay the hand of the Court of Appeals and it could not issue any order to the District Court effecting the litigation in any way whatever.

There is this distinction between the case cited and this case as regards the proceedings in the court below. In the Waskey case the matter was pending in the Court of Appeals on an appeal from the District Court decree and that decree was therefore before the Court of Appeals for review, consequently the writ being addressed to the Court of Appeals having that decree *in gremio*, reached the decree itself and therefore stayed it everywhere. In the case at bar the certiorari was issued in an original proceeding commenced in this court by the filing of a petition and the decree of the District Court under which the accounting is proceeding was not before this court. On the contrary, this court was asked to *take jurisdiction* over that decree and refused to do so. The distinction is clear and decisive.

That being so the certiorari operated to remove from the Court of Appeals to this court merely the record of that original proceeding and did not disturb or in any wise affect the record pending in the District Court. This question was disposed of by the Circuit Court of Appeals for the Seventh Circuit on an application of the petitioner for an order from that court staying the accounting which

they denied for want of jurisdiction and for the aforesaid reasons. See also

*Ex parte Wagner*, 39 Supt. Ct. Rep., 317;  
—U. S.,— (Decided April 14/19.)

### III.

THE RETURN TO THE WRIT OF CERTIORARI ISSUED BY THIS COURT BROUGHT UP FOR REVIEW THE PETITION, ANSWER, AND RECORD IN THE COURT OF APPEALS IN THE ORIGINAL PROCEEDING THEREIN AND THAT ALONE.

The record in the matter now pending before this court on certiorari was, as heretofore stated, made up by verified petition, answer, and record. That and that alone was sent to this court in obedience to the writ of certiorari. The pleadings, etc., on that proceeding are set out, Record p. 1 et seq., and the writ issued by this court referred to a suit

“in which National Brake & Electric Company is petitioner and Niels A. Christensen and Allis-Chalmers Company are respondents,” and directed that court to remit “the record and proceedings in said cause” (Rec. p. 265).

The accounting proceedings now sought to be reached by this motion did not form a part of said proceedings in the Court of Appeals, and they were pending solely before the District Court. That fact was clearly brought out by the Court of Appeals for the Seventh Circuit when petitioner requested that court to issue a stay to the District Court pending the hearing on the aforesaid certiorari. That was denied because it had not pending before it the accounting proceedings or any part thereof. The accounting had been strenuously litigated for about four years since the rendition by the Court of Appeals of its opinion affirming the validity of the patent on October 5, 1915 (229 Fed., 564), (Rec. p. 41) and the voluminous record therein made up was not lodged with the Court of Appeals nor did it as such form a part of the record therein; nay more, the accounting proceeding continued to be litigated during all the time the original petition was pending in the Court of Appeals and petitioner herein even took steps therein after the issuance of this writ of certiorari.

The record in the accounting proceeding has at all times been and now remains with the District Court. It was never sent to the Circuit Court of Appeals and has never been and is not now in this court, consequently this court has as yet no jurisdiction thereover.

#### IV.

AS THE ACCOUNTING PROCEEDINGS NOW BY THIS MOTION SOUGHT TO BE STAYED WERE NEVER PENDING IN THE CIRCUIT COURT OF APPEALS, THIS COURT SECURED NO JURISDICTION THEREOVER AND CONSEQUENTLY THE WRIT DOES NOT OPERATE AS A STAY THEREIN.

From what we have shown it is apparent that the accounting proceedings always have been and still are pending solely in the District Court for the Eastern District of Wisconsin. Neither that suit, nor any part thereof, was ever transferred to the Circuit Court of Appeals for the Seventh Circuit and consequently none of the record of that proceeding ever found its way to this court. It follows therefore *a fortiori* that this court has secured no jurisdiction thereover and that the writ of certiorari does not run thereto. Consequently the effect of the writ as a stay of proceedings does not apply thereto as those proceedings are not sought to be here reviewed. The only proceedings sought to be reviewed by this writ are as stated by petitioner, the petition of the Court of Appeals on the questions of general law, i. e., finality of its prior order and mandate, and the effect of the plea of *res adjudicata*. No accounting proceedings are involved and no patent questions appear. They are purely questions of practice and of general law.

The question of the effect of the writ upon the extraneous accounting proceedings in an independent court was presented to and passed upon by Judge Geiger in his opinion heretofore adverted to (Appendix A) who analyzed the proposition and disposed of it as follows:

"It may be conceded as quite elementary that ordinarily the issuance of a writ of certiorari carries with it a supersedeas. But I cannot escape the conviction that the judgment which is the subject of the present proceedings in this court, is not at all af-

fect, either by the petition filed in the Circuit Court of Appeals, nor by the certiorari issued by the Supreme Court. Such petition, filed three years after the Circuit Court of Appeals had exhausted its appellate jurisdiction,—and the latter was the only jurisdiction ever invoked,—is clearly of the nature of an original proceeding, and, in my judgment, particularly in view of the refusal of the Court of Appeals to grant the relief prayed for, reaches neither the judgment nor this court.

• • • • •

It has seemed to me that whatever the character of the petition filed in the Court of Appeals, the situation in this court so far as affected by that petition and its attempted review by the Supreme Court, is no different than if the declared purpose had been to obtain leave of the Court of Appeals to file a supplemental bill in the nature of a bill of review in this court,—based upon the proceedings in the Third Circuit. If in such situation the Appellate Court refused leave, it could hardly be said that a certiorari to its ruling reached the judgment which, under the original mandate then rested in the District Court for exclusive enforcement."

The logic of this analysis is we submit ineluctable.

## V.

**THE PROPER METHOD TO OBTAIN A REVIEW OF THE DECREE OF THE COURT OF APPEALS WAS BY APPEAL TO THIS COURT AS THAT DECREE WAS NOT MADE FINAL BY THE PROVISIONS OF THE JUDICIAL CODE. CERTIORARI WILL NOT LIE THERETO AND SHOULD THEREFORE BE DISMISSED.**

Where the decree of the Circuit Court of Appeals is not made final by the terms of The Judicial Code it is reviewable by this court by appeal. Section 241 of the Code provides:

"Sec. 241. In any case in which the judgment or decree of the circuit court of appeals is not made final by the provisions of this Title, there shall be of right an appeal or writ of error to the Supreme Court

of the United States where the matter in controversy shall exceed one thousand dollars, besides costs."

The cases in which decrees of the Court of Appeals are made final are found in Section 128 of The Judicial Code, portions of which are:

"Sec. 128. The circuit courts of appeals shall exercise appellate jurisdiction to review by appeal or writ of error final decisions in the district courts, \* \* \*; and, except as provided in sections two hundred and thirty-nine and two hundred and forty, the judgments and decrees of the circuit courts of appeals shall be final in all cases in which the jurisdiction is dependent entirely upon the opposite parties to the suit or controversy being aliens and citizens of the United States, or citizens of different States; also in all cases arising under the patent laws, under the copyright laws, under the revenue laws, and under the criminal laws, and in admiralty cases."

Certiorari will lie only to review "the judgment or decree of the Circuit Court of Appeals (in cases wherein it) is made final by the provisions of this Title."

(Sec. 240 The Judicial Code.) That section provides:

"Sec. 240. In any case, civil or criminal, in which the judgment or decree of the circuit court of appeals is made final by the provisions of this Title, it shall be competent for the Supreme Court to require, by certiorari or otherwise, upon the petition of any party thereto, any such case to be certified to the Supreme court for its review and determination, with the same power and authority in the case as if it had been carried by appeal or writ of error to the Supreme Court."

An analysis of the petition addressed to the Court of Appeals shows that it raises two questions only: (1) the finality or interlocutoriness of its previous judgment, and (2) the effect of certain judgments in the third circuit as *res adjudicata*. These are all questions of general law. They are not even patent questions. That being so the proceeding is not "a case arising under the patent laws" within the purview of section 128 of The Judicial Code and therefore the decree of the Court of Appeals was not made final by the provisions of the code. Consequently a writ of certiorari is not the proper remedy, but appeal is.

That certiorari will not lie to review the judgment

from which an appeal may be taken is established by the following cases:

*Denver v. New York Trust Co.*, 229 U. S., 121, 133.

*Farrell v. O'Brien*, 199 U. S., 89, 101.

*Dana v. Dana*, — U. S., — (39 Sup. Ct. Rep. 449) (June 2, 1919).

That controversies raising questions of practice and *res adjudicata* only, even though they may ultimately influence patent litigation, are not "cases arising under the patent laws" is also equally well settled.

*Pratt v. Paris Gas Lt., etc. Co.*, 168 U. S., 255, 259.

*Cook v. Beecher*, 217 U. S., 497.

*New Marshall Engine Co. v. Marshall Engine Co.*, 223 U. S., 473.

For these reasons we submit that the writ of certiorari was not the proper remedy for petitioner to elect to bring this cause before this court, and therefore it is without jurisdiction thereover and the writ should be dismissed.

Simultaneously with the service of this brief a printed motion to dismiss for want of jurisdiction and brief in support thereof has been served and filed in accordance with the provisions of Subdivision 4 of Rule 6, so that that matter is expending.

## VI.

A WRIT OF PROHIBITION OR MANDAMUS WILL NOT LIE TO STAY THE COMPLETION OF PATENT ACCOUNTING PROCEEDINGS MERELY BECAUSE A QUESTION OF LAW WHICH MAY ULTIMATELY EFFECT THE ACCOUNTING PROCEEDINGS IS PENDING BEFORE THIS COURT FOR DECISION ON CERTIORARI.

Mandamus or prohibition will not lie to compel the District Judge to stay an accounting proceeding therein because of the pendency of a writ of certiorari.

Respondents rely in support of this proposition upon the recent decision of this court in

*Ex parte Wagner*, 39 Sup. Ct. Rep., 317, — U. S., —. (Decided April 14/19.)

That was a case almost on all fours with the present



se. The present action was begun in 1906. The decree holding the patent valid and infringed was affirmed by the Court of Appeals October 5, 1915 (Rec. p. 41) and petition for certiorari was denied by this court February 1, 1916. (241 U. S., 659.) The record was transmitted to the Honorable Harry L. Kellogg on March 4, 1916, and he immediately commenced the accounting proceeding in which a great mass of testimony has been taken, with the result that on March 26, 1919, he filed his final report complete in all respects excepting only as to certain clerical computation which he directed to be done, and which could have been done ere this had not petitioner stopped the work thereon.

It was held in the *Matter of Wagner, supra*, that mandamus would not be granted by this court to stay the present accounting where the District Court was called upon and did determine judicially the scope of the decision of the Circuit Court of Appeals and forecast as best might the scope and effect of the decision of this court as to the rights of the parties and exercised its discretion to permit the continuance of an accounting which had been strenuously litigated for four years. The facts could be closer than they are to the case at bar. The District Court has been called upon to exercise its judgment and discretion as to all of these things and has passed on them as shown in his opinion (Appendix A) and what is said in the *Wagner* case should control.

"Mandamus is an extraordinary remedy, to be resorted to for the purpose of securing judicial action, not for determining in advance what that action shall be. \* \* \* It may not be resorted to \* \* \* for the purpose of controlling minor orders made in the conduct of judicial proceedings, and the fact that the result of litigation may possibly be such that interlocutory proceedings taken may not prove of value is not a sufficient reason for calling the writ into use for the purpose of forbidding such proceedings even though the cost of them cannot be recovered from the opposing party or even though the order cannot be reversed on error or appeal."

## VII.

THE EXTRAORDINARY REMEDY OF PROHIBITION WILL LIE ONLY TO REVIEW WANT OF JURISDICTION IN A LOWER COURT. IT WILL NOT LIE TO REVIEW THE EXERCISE OF A JUDICIAL FUNCTION BY AN INFERIOR TRIBUNAL, NOR IS A MOTION OF THIS KIND PROPER.

As we have heretofore shown the Court of Appeals, and therefore *a fortiori* this court, never secured jurisdiction over the accounting proceeding pending in the District Court and the record therein has never been removed therefrom or affected by any writs or processes of either of the appellate tribunals. Therefore the accounting is not now pending before this court and it follows that this court has no power to issue a writ of prohibition to the District Court because the issuance of such a writ would not be in aid of its appellate jurisdiction.

*In re Massachusetts*, 197 U. S. 482,

*In re Glaser*, 198 U. S., 161.

This court is limited by Sec. 234 of The Judicial Code to issue writs of prohibition as original process in admiralty and maritime cases only.

*Ex parte Graham*, 10 Wall. 541.

This court has laid down the rule in no uncertain terms that a writ of prohibition is never to be issued unless it clearly appears that the inferior court is about to exceed its jurisdiction. It cannot be made to serve the purpose of a writ of error or certiorari to correct mistakes of that court in deciding any question of law or fact within its jurisdiction.

*Re Detroit River Ferry Co.*, 104 U. S., 519.

*Moran v. Sturges*, 154 U. S., 256.

It will issue to review cases of want of jurisdiction of either the subject-matter or of the parties—in such cases only.

*Morrison v. District Court*, 147 U. S., 14.

There is nothing in the decision relied on by counsel for petitioner,

*Bromson v. La Crosse, etc. Ry. Co.*, 1 Wall. 405,

that in any wise conflicts with the aforesaid propositions. In that case this court intimated that it might issue a writ if the District Court further continued to act in a proceeding after it had lost jurisdiction thereover because

of the creation of the Circuit Court and the transfer to it of the jurisdiction of the subject-matter previously held by the District Court. It further appears in that case that the appellant who had taken an appeal from a decree also sought to enforce it pending such appeal, a manifestly inconsistent position. The decision, however, is primarily and fundamentally based on a total want of jurisdiction by the District Court.

It is further respectfully submitted that if this court is to entertain this proceeding at all it should be done on verified petition filed only after leave of court has been obtained and a hearing had after rule to show cause has been entered herein, and none of these prerequisites have been taken.

### VIII.

PETITIONER WILL NOT BE BENEFITTED BY THE STAYING OF THE ACCOUNTING, BUT ON THE CONTRARY, RESPONDENTS WILL BE IRREPARABLY DAMAGED THEREBY.

The equities of the situation are all with respondents. The accounting is all but completed. The expense of the accounting work necessary to complete the computations is small.

In view of the decisions in force in the seventh circuit, e. g.,

*Western Glass Co. v. Schmertz*, 226 Fed., 730, 738 (C. C. A., 7th Cir.)

*Schmertz v. Western Glass Co.*, 236 Fed., 744 (C. C. A., 7th Cir.)

respondent's right to recover interest on the award of profits is extremely doubtful until the computation has been completed and embodied in the master's report. This loss of interest is great and irreparable. The figures of the accountants so far as worked out in conformity with the master's ruling indicate that the award is in the neighborhood of \$450,000, and this is for profits only. Interest on this amount is approximately \$87 per day and respondents are in grave danger of losing, nay, already for many days have lost, this interest which in equity and good conscience belongs to them, because of the dilatory tactics of petitioner in preventing the completion of the work, and for this loss respondents are apparently remediless.

The situation as regards the merits of the granting or withholding of the stay as affecting the accounting is exactly the same situation that was presented to both the District Court and the Circuit Court of Appeals on the motions for stay. They weighed in the scales against the cost of completing the accounting to the petitioner, the immense and irreparable loss of interest that would accrue to respondents, and could come to but one conclusion.

There is this difference: that at present the accounting is practically complete before the master, entirely in fact except the computation to be done by certain accountants, whereas at the time these motions were made below there was months of litigation yet to be completed.

We submit that since both lower courts have been called upon to exercise their discretion in this matter and have decided adversely to petitioner, that this court should not on a summary application for an extraordinary writ overrule their decisions.

## IX.

### CONCLUSION.

For the reasons stated respondents respectfully submit that the only proceeding of which this court has jurisdiction was the suit commenced in the Court of Appeals by original petition, that it is not a case arising out of the patent laws, that no emergency has been shown affecting petitioner, that the writ of certiorari is not *ipso facto* a stay to the District Court, and that the equities are all with respondents.

Respectfully submitted,

JOSEPH B. COTTON,

WILLET M. SPOONER,

WILLIAM R. RUMMLER,

LOUIS QUARLES,

*Solicitors and of Counsel for Respondents.*

## APPENDIX "A".

## OPINION OF JUDGE GEIGER REFUSING STAY.

UNITED STATES DISTRICT COURT.

Eastern District of Wisconsin.

Neils A. Christensen, *et al.*,*Plaintiffs,**vs.*

National Brake &amp; Electric Company,

September 19, 1919.

*Defendant.*

The defendant has made an application for a stay of further proceedings under the judgment in this case, because the Supreme Court has granted a certiorari to the Circuit Court of Appeals to review the latter's refusal to entertain a petition there filed. I shall state briefly my reasons for denying the motion:

The judgment in this case was appealed to the Circuit Court of Appeals, affirmed, and upon application, the Supreme Court declined to grant a certiorari. Three years later an application was made in this court for leave to amend the defendant's answer by setting up a contrary adjudication, said to be final, in the Third Circuit, and praying for a dismissal of the bill and pending accounting proceedings before the master. Such motion was denied.

Thereupon the defendant filed in the Circuit Court of Appeals for this circuit, a petition asking that the mandate issued upon appeal three years ago be recalled, vacated, and directions given to this court for dismissal of the bill and pending accounting proceedings. The Circuit Court of Appeals denied such petition, and the Supreme Court has granted a certiorari to review such ruling. It is now urged that because of the issuance of such certiorari, this court should stay the proceedings pending determination in the ultimate court.

It may be conceded as quite elementary that ordinarily the issuance of a writ of certiorari carries with it a supersedeas. But I cannot escape the conviction that the judgment which is the subject of the present proceedings in this court, is not at all affected, either by the petition filed in the Circuit Court of Appeals, nor by the certiorari issued by the Supreme Court. Such petition, filed three years after the Circuit Court of Appeals had exhausted its appellate jurisdiction,—and the latter was the only jurisdiction ever invoked,—is clearly of the na-

ture of an original proceeding, and, in my judgment, particularly in view of the refusal of the Court of Appeals to grant the relief prayed for, reaches neither the judgment nor this court.

The learned counsel for the defendant, in attempting to meet this view of the case, says:

"If the Circuit Court of Appeals on our application had ruled the other way, had held the decree of the Wisconsin Court interlocutory, and that of the Pennsylvania Court final, had acceded to our request and instructed this court to vacate the reference or the order for the accounting, to vacate its decree holding 635280 a valid patent, and to dismiss the bill, or to do any one or more of these things, and the plaintiffs Christensen, *et al.*, had sought and obtained a certiorari from the Supreme Court, could there be any question that by that certiorari these affirmative acts, which this court had been instructed to perform, would have been stayed until the Supreme Court had decided the case? What is the difference in reason and essence between this and the proper effect of a certiorari obtained by us to stay proceedings on the account and in subsequent steps?"

In my judgment, the very clear difference is that in the one case the jurisdiction of the Appellate Court, whether it be original or otherwise, would in fact be exerted against the decree in process of enforcement by this court, and the judgment of the Appellate Court would reach this court as much as any process ever could. But the Court of Appeals declined not only to so direct this court, but declined to do the very thing which was essential, namely, to recall its own mandate which is still operative on this court; and that is true whether the decree is final or interlocutory. In such situation, the certiorari from the Supreme Court to the Circuit Court of Appeals affects merely the refusal of the latter, in an original proceeding to take to its jurisdiction the judgment *not then before it*. It has refused to do the thing prayed for,—recall its former mandate, now binding and operative against this court. It has seemed to me that whatever the character of the petition filed in the Court of Appeals, the situation in this court so far as affected by that petition and its attempted review by the Supreme Court, is no different than if the declared purpose had been to obtain leave of the Court of Appeals to file a sup

plemental bill in the nature of a bill of review in this court,—based upon the proceedings in the Third Circuit. If in such situation the Appellate Court refused leave, it could hardly be said that a certiorari to its ruling reached the judgment which, under the original mandate then rested in the District Court for exclusive enforcement. This distinction would seem to be observed in *Waskey v. Hammer*, 179 Fed., 273, where, notwithstanding the refusal of the Appellate Court to recall its mandate, the certiorari of the Supreme Court was expressly *directed* to and therefore brought up *the very judgment* which had been the subject of the *appellate jurisdiction*; and so long as the jurisdiction of the Supreme Court was thus exerted, the certiorari commanded respect as a supersedeas from every court where such judgment was lodged for enforcement.

For this reason the motion for a stay will be denied.

(Signed) F. A. GEIGER,  
*District Judge.*

Filed September 19, 1919.

Office Supreme Court, U. S.  
D. C. 19

MAY 24 1919

JAMES D. MAHER

IN THE  
**Supreme Court of the United States.**

OCTOBER TERM, A. D. 1918.

No. 1 **10473** **111**

NATIONAL BRAKE & ELECTRIC COMPANY,  
*Petitioner,*  
*vs.*

NIELS A. CHRISTENSEN AND ALLIS-CHALMERS  
COMPANY,  
*Respondents.*

PETITION FOR WRIT OF CERTIORARI TO THE UNITED  
STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH  
CIRCUIT

*and*

BRIEF IN SUPPORT THEREOF.

THOMAS B. KERR,  
CHARLES A. BROWN,  
*Solicitors,*  
JOHN S. MILLER,  
EDWARD OSGOOD BROWN,  
*Of Counsel,*  
*For Petitioner.*





IN THE

**Supreme Court of the United States.**

OCTOBER TERM, A. D. 1918.

No. \_\_\_\_\_

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NATIONAL BRAKE & ELECTRIC COMPANY,

*Petitioner,*

*vs.*

NIELS A. CHRISTENSEN AND ALLIS-CHALMERS  
COMPANY,

*Respondents.*

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**NOTICE.**

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*To Niels A. Christensen and Allis-Chalmers Company,  
or Their Solicitors:*

Please take notice that upon a certified copy of the transcript of record herein we shall present the petition for writ of certiorari and the brief in support thereof hereunto annexed, to the Supreme Court of the United States at the Capitol in the City of Washington, District of Columbia, on the 2nd day of June, A. D. 1919, at the

opening of the court on that day or as soon thereafter as counsel can be heard.

We shall request the clerk of the Supreme Court to make such presentation and submission for us.

May 17, 1919.

THOMAS B. KERR,  
CHARLES A. BROWN,  
*Solicitors,*  
JOHN S. MILLER,  
EDWARD OSGOOD BROWN,  
*Of Counsel,*  
*For Petitioners.*

To Joseph B. Cotton,  
Willet M. Spooner,  
Louis Quarles,  
William R. Rummel,  
*Counsel for Respondents.*

Service of the foregoing petition and brief in the above  
entitled cause is admitted on this \_\_\_\_\_ day of  
May, A. D. 1919.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
*Solicitors for Respondents*

IN THE

**Supreme Court of the United States.**

OCTOBER TERM, A. D. 1918.

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NATIONAL BRAKE & ELECTRIC COMPANY,  
*Petitioner,*

vs.

NIELS A. CHRISTENSEN AND ALLIS-CHALMERS  
COMPANY,  
*Respondents.*

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PETITION FOR CERTIORARI.

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A PETITION FOR A WRIT OF CERTIORARI FROM THE SUPREME COURT OF THE UNITED STATES TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT IN THE APPLICATION OF NATIONAL BRAKE AND ELECTRIC COMPANY TO SAID CIRCUIT COURT OF APPEALS FOR AN ORDER DIRECTING DISMISSAL OF BILL IN THE ABOVE ENTITLED CAUSE BROUGHT IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF WISCONSIN, ETC.

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*To the Honorable The Chief Justice and Associate Justices of the Supreme Court of the United States:*

Your petitioner, National Brake & Electric Company, represents:

*First.* That it was the petitioner in the Circuit Court of Appeals for the Seventh Circuit in the application above named, and was denied relief by the said Circuit Court of Appeals in a decision made on a single proposition of law of great importance to all persons concerned in rights accruing under patents and considered in patent litigation—namely:

That on a question of prior adjudication or estoppel a decree sustaining a patent, finding infringement, granting an injunction during the life of the patent, and referring the case to a master to take and report an account of damages and profits and reserving decision on said damages and profits and all further questions until the coming in of such report, is not an interlocutory but a final decree.

That as your petitioner is advised by counsel and believes, the said proposition is a reversal of a hitherto universally received rule.

*Second.* The necessary facts for the purpose of this petition are stated in the opinion of the court by Baker, Circuit Judge (see page —, *infra*), appended as an exhibit to the brief filed and bound herewith, as follows:

"The respondents sued petitioner in the District Court for the Eastern District of Wisconsin for alleged infringement of Patent No. 635280 issued October 17th, 1899 to N. A. Christensen for a combined pump and motor."

"On issues joined as to the ultimate rights of the parties, the District Court heard and considered all the evidence each side had to offer respecting the ownership, validity and infringement of the patent and thereupon

\*The bill of the plaintiffs prayed.

*First.* That the defendant should be decreed to account for and pay to the plaintiffs, the profits or income derived from the alleged violation of the plaintiffs rights, and that upon entering the decree against the defendant for infringement, the court might proceed to assess or cause to be assessed under its direction in addition to the unlawful profits or income to be accounted for by the defendants, damages plaintiffs had sustained by reason of such infringement, and that the court might increase the actual damages so assessed to a sum equal to three times the amount of such assessment and

*Secondly.* For a writ of perpetual injunction against the further manufacture, use or sale of the said patented improvements by the defendants and

*Thirdly.* That the infringed devices or apparatus in the possession or use of the defendants might be decreed to be destroyed or delivered to the plaintiffs for that purpose.

adjudged and decreed that respondents were the owners of a valid patent which was being infringed by structures made, used and sold by petitioner, that petitioner and its agents be enjoined during the life of the patent from making, using or selling any combined pump and motor embodying the Christensen improvements and that an accounting before a named master in chancery be had for past infringements."}

"On appeal to this court" (the Circuit Court of Appeals for the Seventh Circuit) "that decree" (of the District Court) "was affirmed in 1915." (October 5th.) "Ever since our mandate was issued, the cause has been pending in the District Court in Wisconsin on the accounting.

"Sometime after the decisions in this" (Seventh) "Circuit, respondents began a suit on the same patent against the Westinghouse Traction Brake Company in the District Court for the Western District of Pennsylvania" (March 11, 1916). "That litigation resulted in a decree entered in 1917" (October 1, 1917) "pursuant to the mandate of the Circuit Court of Appeals for the Third Circuit, holding the patent invalid, and dismissing the bill for want of equity.

"Thereupon petitioner went into the District Court in Wisconsin" (March 9, 1918) "and on representations that it was entitled to the benefit of the Pennsylvania de-

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(This decree was by the United States District Court for the Eastern District of Wisconsin, entered on the 21st day of August, 1914, and the portion of decree concerning the accounting for past infringements, was as follows:

"That Lewis M. Oden be appointed Master to ascertain and report to the court the number of combined pumps and motors embodying the subject matter of the claims of said Patent No. 635289 that have been made and also that have been sold by the defendant in infringement of the patent, and the gains and profits made by the defendant thereon, and the damages sustained by complainants by reason of such manufacture, use and sale, \* \* \* that the question of increased damages and all further questions be reserved until the coming in of the Master's Report."

decree as a privy, asked that the Wisconsin decree be vacated and petitioner be granted leave to amend its answer on the merits by setting up the Pennsylvania decree as *res adjudicata*. That petition was denied." (By the District Court: July 31, 1918.)

*Third.* That after said denial by the District Court—mentioned in the opinion of Judge Baker above quoted—the petitioner on August 19, 1918, moved in the Circuit Court of Appeals for the Seventh Circuit for an order from said court directing the District Court of the United States for the Eastern District of Wisconsin directing the vacation of the Wisconsin decree and the dismissal of the bill with costs.

*Fourth.* That the said application or motion of the petitioner made to the Circuit Court of Appeals for the Seventh Circuit, August 19, 1918, was denied by that court, April 29, 1919, and an opinion rendered by said court which opinion is appended to the brief filed herewith in support of this petition.

*Fifth.* That the said Circuit Court of Appeals, in denying the said application or motion, placed its decision solely on the position that for the purposes of determining the rights of the parties and of constituting the basis of a plea or claim of *res adjudicata*, the decree of the District Court for the Eastern District of Wisconsin, entered August 21, 1914, and affirmed by the Circuit Court of Appeals, October 5, 1915, was a final decree and not an interlocutory decree.

The said Circuit Court of Appeals said (p. 34, *infra*):

"On the records of the two cases which are submitted as constituting all the evidence that bears on this motion, respondents dispute petitioner's contentions as to the identity of subject matter and parties in the two decrees. But at the threshold

lies the question of the nature and effect of the Wisconsin decree affirmed by this court and we have stated the case only in that aspect."

It then proceeds to discuss that aspect only, declaring its decision that while a decree in a patent litigation based on submission and consideration of the issues of validity and infringement, may be classed as interlocutory "in relation of time," it is final "in essence," although the bill of the complainant prays for profits and damages, and the decree is in the ordinary form, granting an injunction during the life of the patent, but reserving an account of profits and damages and referring the cause to a master for such an accounting. It bases its judgment and denial of said motion and application wholly on said position and decision and the corollary drawn therefrom that the decree and adjudication of the District Court of the United States for the Eastern District of Wisconsin of August 21, 1914,—adjudging the validity of Patent No. 635280, was a final and controlling decree of a court of competent jurisdiction on such validity prior to that of the District Court of the United States for the Western District of Pennsylvania, entered October 1, 1917, adjudging said patent invalid, and that on the assumption that the parties were identical or in privity, it determined their rights.

*Sixth.* That your petitioner is advised by counsel and believes that such decision and judgment of the Circuit Court of Appeals is erroneous and in conflict with many decisions of this court and of various District and Circuit Courts and Circuit Courts of Appeal of the United States to the effect that in a patent suit in equity where an injunction, profits and damages are prayed, a decree finding validity and infringement and ordering an injunction but reserving an accounting and ordering a



reference for that purpose, is merely interlocutory and not final.\*

*Seventh.* That such a decree being interlocutory and not final, cannot without error be held controlling or binding as against a subsequent final decree between the said parties and their privies, finding the patent invalid and dismissing a bill founded on it.

*Eighth.* That the position taken by the Circuit Court of Appeals for the Seventh Circuit in the denial of the motion and application of the petitioner before described, will introduce, if unreversed, a conflict of authority and an uncertainty regarding a rule frequently invoked and of great gravity and of vital importance to many interests involved in the construction of the patent laws and the determination of the rights of parties under the same, and that the matter should therefore be brought to this court for review in the interest of uniformity in the law and its administration as well as to correct the error made by the adjudication against your petitioner in the case at bar, as it is advised and believes.

*Ninth.* That while the fact that the decision of the Circuit Court of Appeals is, as before set forth, based entirely on the position hereinbefore set forth that the decree of the District Court of the Eastern District of Wisconsin was final and not interlocutory and assumes that the plaintiffs in the suit in the Western District of Pennsylvania were identical with the plain-

\*e. g.:

*Barnard v. Gibson*, 7 Howard, 650.

*Humiston v. Stainthorp*, 2 Wallace, 106.

*McGourkey v. Ry. Co.*, 143 U. S., 545.

*Smith v. Vulcan Iron Works*, 165 U. S., 518.

*Ex Parte National Enameling Co.*, 201 U. S. 156.

*Harmon v. Struthers*, 48 F. R., 200.

*Richmond v. Atwood*, 52 F. R., 10.

*Bradley Co. v. Eagle Co.*, 57 F. R., 980.

*Bissell Carpet Sweeper Co. v. Goshen Sweeper Co.*, 72 F. R., 545.

*Brush Electric Co. v. Western Electric Co.*, 76 F. R., 761.

*Stromberg v. Motor Devices Co.*, 220 F. R., 154.

And many other cases.

tiffs in the Wisconsin suit and the defendants in the two suits in privity, may render unnecessary in this petition an allegation of said privity of this petitioner with the defendant in the Pennsylvania suit, your petitioner makes such allegation and further represents that the record agreed upon by the parties and presented to the Circuit Court of Appeals in the original proceeding in which this certiorari is asked, and which constitutes the record in this case, contains the evidence showing such privity.

*Tenth.* That upon the face of the record filed with this petition the same patent, No. 635,280, is valid under the decision of the Circuit Court of Appeals of the Seventh Circuit, and is void under the decision of the Circuit Court of Appeals of the Third Circuit,—the said decisions being rendered in cases between the same parties or their privies. Petitioner is advised and submits that this conflict of decision can only be removed if the certiorari herein prayed for is granted.

*Eleventh.* That no question of jurisdiction or of procedural practice arises in this matter as to the form or method of the application to the Circuit Court of Appeals in this case. The Circuit Court of Appeals took jurisdiction of the application, considered the same as "an original proceeding," on the record, on briefs and arguments filed on both sides and on oral arguments from both sides, and decided the same as before set forth solely on the question of the final or interlocutory nature of the decree of the Wisconsin District Court.

Your petitioner represents that in compliance with the rule of this court it has furnished and filed as an exhibit to this petition a certified copy of the record in this proceeding agreed on by the parties and submitted to the Circuit Court of Appeals and of the proceedings of the Circuit Court of Appeals therein.

Wherefore your petitioner prays that this court issue a writ of certiorari to the United States Court of Appeals for the Seventh Judicial Circuit commanding the said court to certify to this court the record of its proceedings in this original proceeding entitled as above,

“National Brake & Electric Company,  
*Petitioner,*

—vs—

Niels A. Christensen and Allis-Chalmers Company,  
*Respondents.*

An application for an order directing dismissal of bill brought in the United States District Court for the Eastern District of Wisconsin”:

To the end that the said proceeding may be reviewed in this court, and that your petitioner may have such other and further relief in the premises as this court may deem appropriate and that said judgment of the said Circuit Court of Appeals therein may be reversed by this Honorable Court.

NATIONAL BRAKE & ELECTRIC COMPANY,  
*Petitioner,*

By THOMAS B. KERR,  
CHARLES A. BROWN,  
*Its Solicitors*

JOHN S. MILLER,  
EDWARD OSGOOD BROWN,  
*Of Counsel.*

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IN THE

**Supreme Court of the United States.**

OCTOBER TERM, A. D. 1918.

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NATIONAL BRAKE & ELECTRIC COMPANY,  
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COMPANY,  
*Respondents.*

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**BRIEF IN SUPPORT OF PETITION FOR CERTIORARI.**

**CERTIORARI SOUGHT TO REVIEW RULING THAT A DECREE  
FOR INJUNCTION AND ACCOUNTING IN A PATENT SUIT,  
IS FINAL AND NOT INTERLOCUTORY.**

This petition for a certiorari to the Circuit Court of Appeals for the Seventh Circuit is based as the petition sets forth upon what the petitioner believes to be an erroneous decision on a single and simple proposition of law,—which was made against it in *an original proceeding*, brought by it to said Circuit Court of Appeals. It was an application asking for a certain direction to the United States District Court for the Eastern District of Wisconsin, in a patent suit there pending on an accounting, after an affirmance by said Circuit Court of Appeals of a decree which we submit was an interlocutory decree, but which the decision which we are seeking to have reviewed adjudges to be final. Whether the decree of the District Court of the United States in Wis-

consin which was entered August 21, 1914, finding the validity of Patent No. 635,280—and its infringement by the defendant (the petitioner here)—enjoining the defendant from making, selling or using the devices covered by the patent during the remainder of the life of the patent, appointing a master to ascertain and report to the court the gains, profits and damages made by the defendants by reason of such manufacture, use and sale theretofore occurring, and reserving a question of increased damages and all other questions until the coming in of the master's report, was a final or interlocutory decree,—is the sole question which the Circuit Court of Appeals felt itself called on to decide in this proceeding.

The ruling here of the Circuit Court of Appeals was that such a decree is a final decree.

We think, as we have said, that this question was erroneously decided by the Circuit Court of Appeals and desire its decision reviewed here for that reason.

**QUESTION HERE IS ONE OF GREAT PUBLIC INTEREST AND IMPORTANCE.**

Moreover, we submit that it is a question of great public interest and importance; that all persons interested or connected with patent litigation must so regard it, and that it is extremely desirable on that account also that in the interest of future uniformity in the administration of the law, it should be definitely settled by the decision of this court whether a revolutionary overthrow of the received doctrine among the experts in patent litigation has been definitely accomplished by this decision.

For the rule laid down by the learned judge in his opinion in the instant matter is entirely without prece-

dent. He does not maintain in his opinion that it has such a precedent. Arguing purely from a standpoint which he believes to be that of logic and right reason, he devotes his opinion to a claimed distinction between a decree "interlocutory in time" and one "interlocutory in essence."

And recognizing as of course he must that in a great number of carefully and indeed elaborately considered cases of patent litigation this court as well as every other federal court has classified decrees like the one of the Wisconsin District Court involved here,—as "interlocutory" and not "final"—he admits or implies the admission (according with the fact) that they have been not only often, but universally so held under the statutes regulating the time and procedure in interlocutory and final appeals, respectively. That they have always hitherto been also so held by Circuit Courts of Appeal (including the Seventh Circuit) when considered on a claim by plea or otherwise that they could be used as supporting a contention of *res adjudicata* or estoppel—the learned judge does not indicate, but we submit that this is the fact.

**BULING OF CIRCUIT COURT OF APPEALS FOR THE SEVENTH  
CIRCUIT HERE IS IN CONFLICT WITH ITS OWN DECISIONS  
IN OTHER CASES.**

By this decision the Circuit Court of Appeals for the Seventh Circuit makes a distinction between the character of a decree in a patent infringement case with accounting reserved, as applied to the statutory right of appeal, and its character as applied to its use as *res adjudicata*. In the first case it is interlocutory—in the last it is final, it says. No reason why such a distinction should exist is suggested by the learned judge. He cites decisions of this court which expressly declare such a



decree interlocutory, and says it was within the province of this court as a matter of appellate procedure "to declare that a 'final' order was only the one that ends the litigation in the trial court and that the legislative intent was against 'piecemeal' appeal." Does he imply that it is *not* within the province of this court to hold that only such a decree is a final one when the question is of priority of adjudication or estoppel? He says that in the cases he cites "the point was '*stressed*' that the intermediate order or decree sought to be presented for review—regardless of its essence—*was not final for the purposes of appeal* within the meaning of the statute."

He says, "If a decree dismisses an injunctive bill for want of equity a period of six months is allowed for appeal. Such a decree is final both in time and essence. If a decree establishes a perpetual injunction and orders an accounting, *no injury is done if, as a matter of procedural law, it be held that an appeal must be taken within thirty days.*"

Does he imply that injury is done if it be held as a matter of "substantive law" that a decree in a patent case, adjudging infringement, establishing an injunction and ordering an accounting is interlocutory only and cannot be used as the basis of a claim of *res adjudicata* or as a finality in any sense?

He would seem to do so. But in so holding the Circuit Court of Appeals for the Seventh Circuit, speaking through him, directly contradicts the Circuit Court of Appeals for the Seventh Circuit, speaking through Judge Woods, in *Brush Electric Company v. Western Electric Company*, 76 Federal Reporter, 761. It there said of a decree precisely similar to the decree of the District Court of Wisconsin involved here:

"The decree in the Toledo case awarded a per-

petual injunction but with an order of reference to a master to ascertain the damages by reason of infringement and for that purpose the suit, it is conceded, is still pending. *It is therefore only an interlocutory decree and not available as an estoppel in respect to any issue in these suits:*"

citing to sustain this utterance a numerous array of cases, indiscriminately those in which the question was one of the effect of the want of finality on procedural and statutory methods of appeal and those in which it was one of the effect of the want of finality on the substantive matters of the law of *res adjudicata* and estoppel.

And it contradicts expressly also other of its own opinions,—for example, *David Bradley Mfg. Co. v. Eagle*, 57 F. R., 980, where it said, speaking through Judge Jenkins, of a prior Iowa decree between the parties or privies to the suit then at bar, finding infringement, ordering a perpetual injunction, and an accounting of profits and damages, that the decree was not well pleaded as a bar "because, being interlocutory, while it affirmed the validity of the patent and the fact of infringement, it still remained in the breast of the chancellor and was subject to change."

And it overrules the conclusion of Judge Sanborn, sitting in the United States District Court at Chicago (in the Seventh Circuit), who said in *Stromberg Motor Devices Co. v. Zenith Carburetor Co.*, 220 F. R., 154—speaking of a decree which had been entered in *Stromberg Co. v. Bender* (a privy of the Zenith Company), 212 F. R., 419—which decree was just such a one as that of the Michigan District Court involved here, that the Zenith Company was "not estopped by the interlocutory decree because finality is essential."

Although in the Zenith Co. case, the interlocutory decree in the Bender case had ripened into a final one before the beginning of the Zenith Co. case, Judge San-

born points out that while up to the "interlocutory decree" the case was fought by the Zenith Company for Bender, and the Zenith Company was therefore a privy, it ceased to be so after the interlocutory decree and that the "final" decree was a consent decree. Therefore said Judge Sanborn:

"The Zenith Company is not estopped by the *interlocutory* decree because finality is essential. It is not concluded by the *final* decree because it is not a party of record, and because a consent decree binds no one but the parties thereto. \* \* \* The rule of *res judicata* does not apply whatever may be the rule of *stare decisis*."

We submit it is quite a sufficient reason for a writ of certiorari from this court to the Circuit Court of the Seventh Circuit that the rule laid down in these diverse cases make even for that Circuit confusion and uncertainty concerning a rule which as our petition sets forth is often invoked and is of immense importance to patent litigants. It would seem and we have no doubt it is the case that the members of the bench in that Circuit would welcome a controlling and final decision from this court on this question.

**EFFECT OF RULING OF CIRCUIT COURT OF APPEALS HERE  
IS TO BRING AND KEEP LAW OF THAT CIRCUIT IN CON-  
FLICT WITH THIRD CIRCUIT AS TO THE VALIDITY OF  
THE SAME PATENT.**

It is also a sufficient cause, we submit, for a certiorari that as we have set forth in the petition the petitioner itself which has sold many thousands of the alleged infringing machines all over the United States (Rec., 93), is attacked under a specific patent which has been declared invalid and void by the Circuit Court of Appeals, in the Third Circuit and valid and controlling by the Circuit Court of Appeals in the Seventh Circuit.

**THE RULING HERE SOUGHT TO BE REVIEWED IS IN CONFLICT WITH DECISIONS OF OTHER CIRCUITS ON SPECIFIC QUESTION RULED ON.**

But the interest of the public and of the profession in a speedy and definite decision on what seems to many of them certainly revolutionary in its treatment of the law, is founded by no local lines narrower than the jurisdiction of this court. The decision which we are seeking to have reviewed is not only directly opposed to other decisions in the Seventh Circuit, it is also opposed to the decisions of the Circuit Court of Appeals in other circuits.

Some of them we cite:

Thus in the First Circuit in *Richmond v. Atwood*, 52 F. R., 10, the Circuit Court of Appeals in a very elaborate opinion—discussing as the chief questions the jurisdiction under the appeal provision in Sec. 7 of the Circuit Court of Appeals Act, and whether on an appeal from a decree like the one involved here as an interlocutory decree the Circuit Court of Appeals could not only dissolve the injunction but dismiss the bill, emphasizes extremely the assertion that there are but two classes of decrees—"FIXAL" and "INTERLOCUTORY"; and that every decree must be one or the other and cannot be both. It says:

"Since Sir William Blackstone's day at least decrees have only been subject to one division and have been classed generally either as final or interlocutory decrees or orders, and an 'interlocutory decree' has been repeatedly defined as any decree made before final decision and for the purpose of ascertaining matter of law or fact preparatory to a final decree.

. . . . .

It is quite clear that this single division of decrees into two classes and two only, interlocutory and

final, has been generally accepted by lawyers and judges in this country and England."

After citing a formidable array of authorities, text writers and at least two score of federal court cases to this proposition, the learned judge proceeds:

"It will be observed, from an examination of the cases in the Supreme Court of the United States, that a decree in patent cases, declaring the patent in question valid and that it has been infringed and for an injunction and an accounting, has uniformly been referred to as an interlocutory decree and the cases are numerous, \* \* \* where upon an appeal from a decree determining the general property right, granting an injunction, and an order for an accounting before a master, it has been held that the decree was not final or appealable."

This language certainly gives no hint of a class of decrees in the mind of the court in the First Circuit interlocutory "in time" but not "in essence" and presents a marked contrast to that of Judge Baker (p. 40-41 of his opinion, attached hereto):

"If a decree establishes a perpetual injunction and orders an accounting *no injury is done* if as a matter of procedural law, it be held that an appeal must be taken within thirty days. Such a decree, though final in essence is interlocutory in time, and stressing time in procedure it *may* be better that the decree be *classified* as interlocutory for the purposes of appeal. But although appeals from decrees of temporary injunction and from decrees of perpetual injunction with accounting reviewed are thus brought within the same section of the appellate practice statute, no bar to recognizing *the difference in essence* between temporary and perpetual injunctions is thereby formed." (The italicization is ours.)

It would be certainly well to determine which of these courts correctly states the true theory.

In the Second Circuit, in *Marden v. Campbell Printing Press & Mfg. Co.*, 67 F. R., 809, p. 815, the Circuit Court

of Appeals through Judge Putnam said in relation to the right of appeal from a decree directing a perpetual injunction and accounting:

"The only person prejudiced in the sense of the law by a decree of the character of that in the case at bar is the defendant and he is prejudiced only so far as the injunction order operates against him.

\* \* \* What has the appearance of a decree against him, so far as embraced in the interlocutory proceedings is only a finding of the court. It is sufficient to bar further proceedings *in the cause* so far as the claims passed on are concerned *but it is effectual for nothing more and is not pleadable in any subsequent litigation.*"

In the Third Circuit the very case which is involved in this proceeding furnishes an example of the difference of view of its courts from that enunciated by the Circuit Court of Appeals of the Seventh Circuit in this case.

The District Court in Pittsburgh by final decree, under the mandate of the Circuit Court of Appeals of the Third Circuit has held Patent 635,280 invalid and void. The District Court in Milwaukee affirmed by the Circuit Court of Appeals in the Seventh Circuit has held Patent 635,280 valid and in force. The decree of the Milwaukee court which we maintain was *interlocutory*, was prior in time to the decree of the Pittsburgh court which was certainly *final*. If the counsel for the plaintiff in the Pittsburgh case had supposed the decree in the Milwaukee case "final" they would have asserted estoppel against the Westinghouse Traction Brake Company and had the courts in the Third Circuit agreed with them they would have obtained a decree of injunction and accounting against that company without offering any proof other than that of privity and identity of subject matter.

But no such method of proceeding was used. Counsel in the Pittsburgh case frankly called the Milwaukee decree "an interlocutory decree" (Rec., 81), and the courts proceeded to adjudicate the invalidity of Patent 635,280 without reference to it.

Better evidence of the difference of decision between the Third and Seventh Circuit Courts of Appeal could not exist.

In the Fourth Circuit in the case of *Howe Machine Co. v. Dayton*, 210 F. R., 801, a decree of the District Court finding a patent valid and infringed, granting an injunction, and ordering an account was appealed and affirmed by the Circuit Court of Appeals. When the case went back to the District Court for an accounting, that court as the plaintiff alleged, "enlarged the mandate" by an order and the defendant applied to the Circuit Court of Appeals for a mandamus to compel the district judge to vacate the order. The Circuit Court of Appeals called the injunction "an interlocutory injunction" (p. 802), and said the decree was not final and the petition for a mandamus was denied.

In the Fifth Circuit in *Jones Co. v. Munger*, 50 F. R., 785, the Circuit Court of Appeals says of a decree which adjudged the validity of the patent sued on and directed an injunction termed "perpetual" against the defendants as infringers, and referred the case to a master for taking an account:

"It is well settled that such a decree is not a final decree from which an appeal could be taken or of which this court would have jurisdiction under the 6th section of the Judiciary Act of 1891. We are, however, of the opinion that it is an interlocutory decree granting an injunction from which an appeal would lie under the seventh section of the said Judiciary Act,"

and then discussing the nature of interlocutory decrees,

and applying it to the matter in hand, it quotes with approbation from Daniels Chancery Practice this:

“For this reason it is that a decree which has not been enrolled though it is in its nature a final decree is considered merely as interlocutory and cannot be pleaded in bar to another suit for the same matter.”

In the Sixth Circuit in an opinion (*Bissett Carpet Sweeper Co. v. Goshen Sweeper Company*, 53 F. R., 545), very elaborately discussing and deciding in the affirmative the questions whether on appeal from a decree in a patent infringement case granting a perpetual judgment but reserving an accounting, the decision of the reviewing court may extend to the whole merits, and whether for the court making the decree and for the reviewing court—the decision of the latter becomes “the law of the case” (not *res adjudicata*” it is to be noted), Judge Lurton for the Circuit Court of Appeals calls such a decree constantly “an interlocutory decree” without hinting at any distinction that would limit the classification in such a way as to make such an “interlocutory decree” pleadable and enforceable as “*res adjudicata*” or “an estoppel,” as though it were “a final decree.”

It might have aided his argument to do so, but on this point he only says:

“Under the rule of the Supreme Court as to an appealable final decree this was not one, although the merits had been determined and nothing remained to be done except to ascertain the damages (citing cases). It was, however, ‘an interlocutory decree awarding an injunction’ within the meaning of Section 7 of the Court of Appeals Act and an appeal was properly allowable.”

Upon other grounds he then proceeds to treat the subject of the authority of the reviewing court to consider



the merits of the patent and settle "the law of the case" on such an appeal from an *interlocutory* decree.

To the same effect is the decision in the *Ninth* Circuit in *Cable Co. v. Cable Ry. Co.*, 58 F. R., 226.

In the Eighth Circuit Judge Thayer in *Metallic Extraction Company v. Brown*, 104 F. R., 345, having occasion to pass in an appeal from a decree finding validity and infringement and ordering an injunction and accounting, upon the sufficiency of the allegations of the bill and of the evidence taken in this case on the subject of damages, said the decree below had not become final and that those questions might well be left open for future consideration when there should have been a *final* decree.

In *Harmon v. Struthers*, 48 F. R., 260, in the Circuit Court of the Western District of Pennsylvania in 1891, the position that Judge Baker now takes in his opinion as to the effect as *res adjudicata* of such a decree as is in question here was raised, and it was discussed and disposed of by that court, Judge Acheson, citing many cases, among them *Chemical Works v. Hecker*, 20 Federal Cases, 1345.

He concluded:

"Applying the principle of the decisions cited to this case we have no difficulty in holding that our decree in the other suit is *interlocutory* and does not here operate as an estoppel precluding inquiry into the validity of the patent."

And in *Hills & Co. v. Hoover*, 142 F. R., 904, which although not a patent case, was the closely analogous one of copyright litigation, Judge Holland in the Circuit Court of the Eastern District of Pennsylvania said that a decree in a case between the same parties on the same subject matter awarding a perpetual injunction and or-

dering an accounting should not have been admitted in evidence.

"It has been held," he says, "in numerous cases that a decree in equity proceedings awarding a perpetual injunction and an accounting by the defendant to the plaintiff for profits and referring the case to a master to ascertain the amount thereof which the plaintiff is entitled to recover, which is still pending and undetermined before the master, is an interlocutory and not a final decree and therefore is not *res adjudicata* as to any suit involved and was not admissible in evidence."

In the Circuit Court of the Northern District of New York, Judge Ray in *Australian Knitting Company v. Gormley*, 138 F. R., 92, in a patent case decided the exact question, declaring in the language of the head-note fully borne out by the text of the opinion:

"A decree of a Circuit Court sustaining the validity of a patent and awarding a permanent injunction against infringement and referring the case to a master for an accounting as to damages and profits is interlocutory merely and not final and is not conclusive of the validity of the patent in a subsequent suit between the same parties prior to the rendition of final decree in the cause although on appeal from such interlocutory decree it has been affirmed by the Circuit Court of Appeals."

This question raised anew by the opinion in the case at bar should be now set at rest by a decision of this court as fairly on the point as this.

In our view decisions which this court has made in numerous well considered cases concerning the interlocutory and nonfinal character of such decrees, have already done so on the precise point involved of their use to sustain a claim of *res adjudicata* and estoppel as well as of appealability,—but as the decision which we seek to have

reviewed by the certiorari prayed for is based entirely on an alleged distinction in this regard we have postponed a reference to them until we had clearly shown that at least they have been interpreted differently from the court's construction of them here by other subordinate Federal Courts and by other judges of the same court.

And before proceeding to cite or quote from those cases in this court it may be proper to note that we do not agree entirely with the conception of the Court of Appeals here of the jurisdiction of equity in litigation over alleged infringement of patents. The opinion here says that "injunction is the sole basis of the equitable jurisdiction over the bill"; that the accounting is an incidental matter taken up in the equity suit although it is a legal cause of action, purely as a matter of convenience. We do not so conceive it. The federal courts have original jurisdiction of all suits under the patent laws, and by section 4921 of the Revised Statutes as amended March 3, 1897, the courts vested with jurisdiction under the patent laws are expressly given "power to grant injunctions according to the course and principles of courts of equity to prevent the violation of any right secured by patent on such terms as the court may deem reasonable and upon a decree being rendered in any such case for infringement the complainant shall be entitled to recover in addition to the profits to be accounted for by the defendant, the damages the complainant has sustained thereby, and the court shall assess the same or cause the same to be assessed under its direction."

It seems to us that the jurisdiction to compute profits and assess damages for an infringement of a patent becomes thus no more in theory solely a quasi-extraneous

incident or appendage of a suit for an injunction against the continuance of the infringement, than it is in fact in practice. It is familiar experience that the profits and damages sought on account of past infringements quite as much as the injunction sought against future ones during a possibly short subsequent life of the patent are the real backbone, substance and cause of the suit. In view of the statute, the reasoning that the entry of a permanent injunction exhausts every equitable issue in the bill and therefore it must determine all the equities and be final as *res adjudicata* or in estoppel, and that this court therefore in holding it interlocutory must have meant interlocutory "in time" only and not "in essence" does not seem to us sound.

Although as decided in *Root v. Railway Company*, 105 U. S., 189, and *Tilghman v. Proctor*, 125 U. S., 136, something more than a claim for damages must be made in patent cases to give jurisdiction in equity,—yet when such other relief is sought together with an accounting for profits and damages, the claim and the accounting become integral and vital parts of the whole litigated cause.

This court said in *Hamilton Shoe Company v. Wolf Bros.*, 240 U. S., 251, that in trade-mark and patent cases an infringer is required in equity to account for and yield up his gains to the true owner upon a principle analogous to that which charges a trustee with the profits acquired by wrongful use of the property of a *cestui que trust*.

At all events this court has made no such distinction between "in time" and "in essence" in any of the multitude of cases in which it has consistently held and declared a decree of this nature "interlocutory" and "not final."

It may seem unnecessary to quote here from any of these cases, so well established admittedly is the rule of which such decrees are thus defined by this court when dealing with their appealability, but to emphasize our contention that such a distinction as is the basis of the decision we seek to review has not been recognized in them, it may not be improper to call attention to the language of a few of them.

In 1825 Chief Justice Marshall said (*The Palmyra*, 10 Wheaton, 502) that in admiralty a decree of restitution of a prize leaving damages unsettled that were prayed for as well as restitution was *not final on the rights of the parties*, and that the accounting not being merely ministerial distinguished it from that in a foreclosure in equity where the amount due on a fixed obligation only was to be ascertained.

Certainly the same reasoning is good in patent infringement cases, and it was used in those cases by this court.

In *Barnard v. Gibson*, 7 Howard, 656, we find Mr. Justice McLean in 1848, speaking for the court, and distinguishing *Forgay v. Conrad* (discussed in the opinion here) thus:

“The decree in the case under consideration is not final within the decisions of this court. The injunction prayed for was made perpetual but there was a reference to a master to ascertain the damages by reason of the infringement.”

These cases having been followed in both admiralty and patent causes for more than half a century, this language of Mr. Justice Brown's opinion in 1892 in *McGourkey v. Toledo & Ohio Railway*, 146 U. S., 536, was fully justified:

“Probably no question of equity practice has been the subject of more frequent discussion in this court

than the finality of decrees. It has usually arisen upon appeals taken from decrees claimed to be interlocutory but it has occasionally happened that the power of the court to set aside such a decree at a subsequent term has been the subject of dispute.

\* \* \* Upon the one hand it is clear that a decree is final though the case be referred to a master to execute the decree by a sale of property or otherwise as in the case of a foreclosure of a mortgage.

\* \* \* *It is equally well settled that a decree in admiralty for a collision or other tort \* \* \* or in equity establishing the validity of a patent and referring the case to a master to compute and report the damages is interlocutory only.*"

But it was not "for convenience" or because no injury would be done by classifying the decree as "interlocutory" and not as "final" that these decisions in admiralty and patent litigation were made. On the contrary even against the plea of great inconvenience and injury (see *Barnard v. Gibson, supra*) the court was applying the same rule to admiralty and patent litigation that it applied in a case which belonged to neither class (*Beebe v. Russell*, 19 Howard, 283), but concerned the conveyance of land which the bill charged was fraudulently withheld from the complainant, and for an account for the rents and profits.

The court found the fraud, decreed the conveyance of the land with surrender of possession, and referred the account for withheld profits to a master. This court held that decree not final and *therefore* not appealable. It said, distinguishing the accounting from a ministerial act, "that there was a pecuniary uncertainty in respect to the sum to be paid to the defendant which was only to be made certain and operative by a decree of the court upon the master's report." Therefore the decree was *not* final. Is not the same thing exactly true of our case?

In a footnote we have indicated some of the many cases to which we have hereinbefore referred decided by this court in which without a suggestion as to any limitation of the words to "procedural" law it has termed decrees in patent suits which found validity and infringement, established perpetual injunctions, but ordered accountings, "interlocutory decrees,"

Nothing could more clearly indicate that it was no mere question of procedural law which this court had in mind in thus classifying these decrees than the language in *Winthrop Iron Co. v. Meeker*, 109 U. S., 180, repeated with approbation in *Keystone Iron Co. v. Martin*, 132 U. S., 91.

In the first case, the court held the decree in the case then at bar final, but remarked, "The case is altogether different from suits by patentees to establish their patents and recover for the infringement. *There the money recovery is part of the subject matter of the suit. Here it is only an incident to what is sued for.*"

In the second, the court held the decree in the case then before them was not a final decree on the same principle that the court said in *Winthrop v. Meeker* was applied to patent infringement suits.

The reason given which prevents a decree giving partial relief from being final, is just as applicable to questions of estoppel as to the time within which an appeal must be taken.

In *Ex parte National Enameling Co.*, 201 U. S., this court, speaking through Mr. Justice Brewer, is particu-

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\**Humiston v. Stanthorp*, 2 Wall., 109.  
*Hurlbut v. Schilling*, 130 U. S., 456.  
*Cornell v. Markwald*, 131 U. S., 159.  
*St. German v. Brunswick*, 135 U. S., 227.  
*Yale Lock Co. v. Berkshire Bank*, 135 U. S., 342.  
*McCree v. Penn. Canal Co.*, 141 U. S., 459.  
*McGowan v. N. Y. Belting Co.*, 141 U. S., 332-337.

larly emphatic in declaring such a decree as is the one in question here "not final," pointing out that *Smith v. Vulcan Iron Works*, 165 U. S., 518, decided nothing to the contrary.

**CIRCUIT COURT OF APPEALS MISCONCEIVES POTTS CASE,  
166 U. S., 263.**

The court here appears to have overlooked the subsequent history of the Potts case, 166 U. S., 263, which it cites. The Potts case (166 U. S., 263), decided indeed that "the law of the case" had been established for the lower court by the mandate of this court and that the lower court could not depart from it. It was an authority which might deter the District Court at Milwaukee from granting the application made there to dismiss the bill without the consent and direction of the Circuit Court of Appeals. But it has no bearing on our right to have the Circuit Court of Appeals give that direction when we ask it in an original proceeding brought in that court.

In the Potts case this court,—after deciding on March 15, 1897, that the Circuit Court had no authority to deviate "without express leave of this court" in any way from the directions of the Supreme Court made on January 7, 1895 (two years before it will be noted), reversing the Circuit Court's dismissal of the bill and holding a patent valid and infringed and ordering a perpetual injunction and an accounting,—said, that if an application was made to the Supreme Court for leave to apply to the Circuit Court within twenty days for a rehearing in the case, it would be considered. The report in *C. & A. Potts & Co. v. Crecager et al.*, 97 Fed. R., 78, shows that the application to the Supreme Court was made, that it was granted; that the Circuit thereupon granted re-



hearing and on said rehearing the patent was again adjudged invalid and the bill dismissed, and that this action of the Circuit Court was affirmed as to one patent and reversed as to the other by the Circuit Court of Appeals. No case could be more analogous to ours so far as the proper method of procedure goes.

It will be noted that if the decree of January, 1895, adjudging the patent valid and perpetually enjoining the defendant—which was entered on the mandate of this court (155 U. S., 597),—was a final decree, then the Circuit Court had no power to grant the petition for rehearing, which was presented (as was this case), long after the term had expired at which such final decree was entered. The action of the Circuit Court in entertaining such petition (with the leave of this court), and granting the rehearing and its later action in setting aside such decree of January, 1895, and that of the Circuit Court of Appeals in that case, show that such decree of January, 1895, was interlocutory merely and not final.

**SINGLE QUESTION ON THIS PETITION IS AS TO FINALITY OF DECREE.**

No question of procedure is raised in the decision of the case at bar by the Circuit Court of Appeals nor suggested in the opinion of that court which gave the reasons for it. If it had been, the case of *Hart Steel Company v. Railroad Supply Co.*, 244 U. S., 294, would have been sufficient authority for us to rely on. The court was mistaken in supposing the petitioner relied on that case as demonstrating that the decree here in question was "interlocutory in essence." We had no intimation or expectation that it could be held anything but interlocutory in view of the decisions of this court and of other courts that we have cited.

But we relied on the same understanding of the Hart case which in effect the opinion of that court says the Circuit Court of Appeals has of it, that the first final adjudication on the validity of a patent is binding on parties and their privies.

The first *final* adjudication on the validity of Patent No. 635,280 between the parties to this litigation or their privies was, as we maintain, by the District Court of the Western District of Pennsylvania, October 1, 1917, and adjudged it invalid.

The Circuit Court of Appeals of the Seventh Circuit has held that the first final adjudication was by the decree, which we maintain was by established and well settled rules of law interlocutory only of the District Court for the Eastern District of Wisconsin on August 21, 1914, which adjudged it valid.

Whether that decree was final or interlocutory is the only question raised or decided by the opinion of the Circuit Court of Appeals of which we are seeking a review.

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Electric Co.*

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*Of Counsel.*



## APPENDIX.

IN THE

UNITED STATES CIRCUIT COURT OF APPEALS

FOR THE SEVENTH CIRCUIT.

No. 2163.      October Term, 1918, April Session, 1919.

National Brake & Electric Com- pany,	} Application for an order directing dis- missal of bill brought in the United States Dis- trict Court for the Eastern District of Wisconsin.
<i>Petitioner,</i>	
<i>vs.</i>	
Niels A. Christensen and Allis- Chalmers Company, <i>Respondents.</i>	

Before BAKER, MACK and EVANS, *Circuit Judges*.BAKER, *Circuit Judge*, delivered the opinion of the court:

Respondents sued petitioner in the District Court for the Eastern District of Wisconsin for alleged infringement of Patent No. 635,280, issued Oct. 17, 1899, to N. A. Christensen, for a combined pump and motor. On issues joined as to the ultimate rights of the parties, the District Court heard and considered all the evidence each side had to offer respecting the ownership, validity and infringement of the patent, and thereupon adjudged and decreed that respondents were the owners of a valid patent which was being infringed by structures made, used

and sold by petitioner, that petitioner and its agents be enjoined during the life of the patent from making, using or selling any combined pump and motor embodying the Christensen improvements, and that an accounting before a named master in chancery be had for past infringements. On appeal to this court that decree was affirmed in 1915. Ever since our mandate was issued, the cause has been pending in the District Court in Wisconsin on the accounting.

Some time after the decisions in this circuit, respondents began a suit on the same patent against the Westinghouse Traction Brake Company in the District Court for the Western District of Pennsylvania. That litigation resulted in a decree, entered in 1917, pursuant to the mandate of the Circuit Court of Appeals for the Third Circuit, holding the patent invalid and dismissing the bill for want of equity.

Thereupon petitioner went into the District Court in Wisconsin and on representations that it was entitled to the benefit of the Pennsylvania decree as a privy asked that the Wisconsin decree be vacated and petitioner be granted leave to amend its answer on the merits by setting up the Pennsylvania decree as *res adjudicata*. That petition was denied.

And now petitioner comes before us in an original proceeding, asking that we recall our mandate, vacate our decree, find that the Pennsylvania decree is *res adjudicata* in this case, and thereupon direct the vacation of the Wisconsin decree and the dismissal of the bill on the merits.

On the records of the two cases, which are submitted as constituting all the evidence that bears on this motion, respondents dispute petitioner's contentions as to the identity of subject matter and parties in the two decrees. But at the threshold lies the question of the nature and effect of the Wisconsin decree, affirmed by this court, and we have stated the case only in that aspect.

A decree may be looked at from the point of view of time, and also from that of essence. The former discloses procedural law, mainly statutory appellate procedure; the latter concerns the right of a party who, for

instance, on issues joined respecting title to property and exclusive possession or use, has submitted all his proofs and arguments, afterwards to require the court to ignore its deliberate decree on title and right of possession and to hear again the evidence and arguments on those issues because a supplemental or dependent issue has been reserved for future judicial determination.

If a decree writes "finis" to the litigation, it certainly merits the term "final" in time relation. But even in the time relation of procedure, the last judicial action is not always the matter that is reviewed on appeal. If a chancellor entertains a petition for a rehearing (motion for a new trial), his denial of the petition may be the final judicial action in the case, but his decree on the merits as deduced from the evidence and the law is the matter that is reviewed. The effect of the final order in time is to bring forward to the same time the order on the merits. *Brockett v. Brockett*, 2 How. 238; *Aspen Mining Co. v. Billings*, 150 U. S. 31; *Kingman v. Western Mfg. Co.* 170 U. S. 675; *Chicago G. W. Rld. Co. v. Gasham*, ..... U. S. .... (Mar. 3, 1919).

Federal appellate procedure is wholly statutory. When the statute limited appeals to "final" decrees, the meaning of "final" was a matter of statutory construction. It was within the province of the court to declare that a "final" order was only the one that ends the litigation in the trial court and that the legislative intent was against "piecemeal" appeals. *Barnard v. Gibson*, 7 How. 650; *Craighead v. Wilson*, 18 How. 199; *Beebe v. Russell*, 19 How. 60; *Humiston v. Stainthorp*, 2 Wall. 106; *Green v. Fisk*, 103 U. S. 518; *Keystone Co. v. Martin*, 132 U. S. 91; *McGourkey v. Toledo Ry. Co.*, 146 U. S. 536; *Ex parte National Enameling Co.*, 201 U. S. 156; *Heike v. U. S.*, 217 U. S. 423; *Hamilton Shoe Co. v. Wolf Brothers*, 240 U. S. 251. In many of these cases the point was stressed that the intermediate order or decree sought to be presented for review, regardless of its essence, was not final for the purposes of appeal within the meaning of the statute. In the *Heike* case the court observed: "It is true that in a certain sense an order concerning a con-

trolling question of law made in a case is, as to that question, final. Many interlocutory orders effectually dispose of some matters in controversy, but that is not the test of finality for the purposes of appeal or writ of error." If an order that is interlocutory in time effectually disposes of certain issues under the law and the evidence, the effect of the last order that disposes of the remaining issues is the same as the effect of the order denying a motion for rehearing,—it brings forward to the latter date for the purposes of appeal the intermediate order on the merits, unless there is a special statutory provision for an intermediate appeal from the intermediate order in question.

Even in cases of procedural law, where the only question was when the time for taking an appeal was ripe, the manifest inconveniences and hardships from long postponement of a review of a decree, intermediate in time, but based on a full submission and consideration of the law and the evidence respecting the foundational issues of title and use, led to exceptions in the application of the time rule. In *Forgay v. Conrad*, 6 How. 200, an assignee in bankruptcy filed a bill to cancel sundry deeds of the bankrupt, to establish the assignee's title and right of possession, and to obtain an accounting of the rents and profits received by the defendants. On a full hearing of the issues of title and right of possession, and of the fact that defendants had been in unlawful possession, the trial court decreed that the complainant was the owner and was entitled at once to exclude the defendants from the property, that the defendants' receipts of rents and profits were unlawful, that the amount thereof be determined in an accounting before a master, and that so much of the bill as related to the accounting be retained for further decree. Plainly the parties were kept in court for determination of an issue within the pleadings. Plainly the decree on title and right of possession was not the "final" decree in time relation. Plainly, in its essence, that decree was final as to the issues then adjudged, for they "could not have been afterwards reconsidered or modified except upon a petition for a rehearing"; and the only question was whether an appeal

should then be allowed or only after all issues had been finally disposed of in the trial court. In view of the fact that the assignee in bankruptcy might distribute the proceeds of the sale of the property among the creditors before the accounting issue for rents and profits was finally disposed of, the appeal was permitted to stand. In aid of the "no piecemeal appeals" rule Mr. Chief Justice Taney condemned the splitting of cases and the rendition of two or more final decrees on the merits and pointed out to the trial courts that after a full hearing of the foundational rights of the parties only an opinion should be given and no executable orders entered until the master's account of profits or damages was in, so that all matters in dispute might be embodied in "one final decree." (But the reasons that underlay that attitude have lost their importance by changes in appellate procedure introduced in the act creating the Circuit Courts of Appeals.) *Thomas v. Dean*, 7 Wall. 342, was a similar case. There also the decree on review finally adjudged title and right of possession, and reserved the matter of accounting for a future decree.

While *Forgay v. Conrad* and *Thomas v. Dean* are exceptional cases in the application of the Federal appeals statute then in force, they are not exceptional when substantive law is the test. Indeed, throughout the world of English-derived jurisprudence, there is unanimity that a decree which, on issues joined, and on submission by the parties and consideration by the court of all the evidence the parties can or choose to adduce and all the law the parties and the court deem applicable, adjudges that the complainant is the owner and entitled to the exclusive possession of property and that the defendant has unlawfully invaded the complainant's rights, and orders the defendant to surrender or keep away from the property forever, is a final decree on those issues, even though the issue concerning profits or damages from the defendant's trespasses has been reserved for future judicial action. Decrees of this character have been held to be final in essence, regardless of time relation, in cases of partition, partnership, foreclosure, redemption, cancellation, rescission, injunction, condemnation, and many



others.\* English courts have never been tied by a statute limiting appeals to those that write "finis" to the litigation. In an English chancery cause there may be successive appeals. Consequently the essential nature of the decree or order has furnished the test.\*\* And in its simplest form the test is whether the parties have intended to submit and have submitted an issue of title or right upon all their admissible contentions of fact and law and the court has intended to decide and has decided that issue and has put its decision into an immediately executable decree which in terms puts an end to that controversy, with no reservation of right to the parties or to the court for further or renewed presentation and con-

\*Partition Cases: *Allison v. Drake*, 145 Ill. 500; *Amer v. Amer*, 148 Ill. 321; *Williams v. Wells*, 62 Iowa 740; *Damouth v. Klock*, 28 Mich. 162; *McRoberts v. Lockwood*, 49 Oh. St. 374; *Lochrane v. Loan & Security Co.*, 50 S. E. 372 (Ga.); *Cedar Co. v. Peoples Bank*, 111 Fed. 446 (4th C. C. A.); *Richmond v. Richmond*, 57 S. E. 736 (W. Va.).

Partnership Cases: *Decatur Land Co. v. Cook*, 27 So. 559 (Ala.); *Sammis v. Poole*, 89 Ill. App. 118, affirmed in 188 Ill. 396; *Silber v. Aiken*, 67 Ala. 313; *Hake v. Coach*, 105 Mich. 425.

Foreclosure and Redemption Cases: *Myers v. Manny*, 63 Ill. 211; *Gentry v. Lawley*, 37 So. 829 (Ala.); *Marquam v. Ross*, 78 Pac. 698 (Oregon); *Mills v. Hoag*, 7 Paige 18; *Zimmerman v. Pugh*, 39 So. 989 (Ala.).

Cancellation or Reformation of Deed Cases: *McMurry v. Day*, 70 Iowa 671; *Lohman v. Cox*, 56 Pac. 286 (New Mexico); *Stahl v. Stahl*, 220 Ill. 188; *Jones v. Wilson*, 54 Ala. 50; *Johnson v. Northern Trust Co.*, 265 Ill. 263.

Perpetual Injunction Cases: *M. & M. Nat'l Bank v. Kent*, 43 Mich. 292; *Sacramento Irr. Co. v. Lee*, 113 Pac. 834 (New Mexico); *Improvement Co. v. Lund*, 113 Pac. 840 (New Mexico); *Chicago Life Ins. Co. v. Auditor*, 100 Ill. 478; *Earl v. Jacobs*, 142 N. W. 1079 (Mich.).

Condemnation Cases: *Petition of Phil. M. & S. St. Ry. Co.*, 53 Atl. 191 (Pa.); *Tenn. Cent. Ry. Co. v. Campbell*, 75 S. W. 1012 (Tenn.).

Miscellaneous Cases: *Walker v. Crawford*, 70 Ala. 567; *People v. Bank*, 65 Pac. 124 (Cal.); *Wynn v. Bank*, 53 So. 228 (Ala.); *Robert v. Rousseau*, 67 Atl. 330 (R. I.); *Klein v. Independent Brewing Assn.*, 231 Ill. 594; *Townsend v. Peterson*, 12 Colo. 491; *Fry v. Rush*, 65 Pac. 701 (Kan.); *Perrin v. Leper*, 72 Mich. 454; *Ayer v. Termatt*, 8 Minn. 96; *De Grasse v. Gossard Co.*, 236 Ill. 73; *Arnold v. Sinclair*, 29 Pac. 349 (Mont.); *Rauley v. Burris*, 47 S. W. 176 (Tenn.); *France v. Bell*, 71 N. W. 984 (Nebr.); *Morean v. Stanley*, 81 Pac. 759 (Colo.); *Ncher v. Crawford*, 65 Pac. 156 (New Mexico); *Canal Co. v. State of Louisiana*, 233 U. S. 362.

\*\*British and Colonial Cases: *In re Stockton Iron Furnace Co.*, 10 L. R. Ch. D. 335; *Vidi v. Smith*, 3 El. & Bl. 968; *Fenner v. Wilson*, 62 L. J. Ch. 984; *North British Bank v. Collins*, 1 MacQueen (Scotch Appeal Cases) 369; *Shaw v. St. Louis*, 8 Supreme Court of Canada 385; *Baptist v. Baptist*, 21 Supreme Court of Canada 425; *Ahmed Musaji Saleji v. Hashim Ebrahim Saleji*, Indian Law Reports, 29 Calcutta 758; *Bhup Indur Bahadur Singh v. Bajai Bahadur Singh*, Indian Law Reports, 23 Allahabad 156; *Boloram Dey v. Ram Chundra Dey*, Indian Law Reports, 23 Calcutta 279; *Carles v. Hertz' Trustee*, 1904 Transvaal Supreme Court 584.

sideration. Such a decree can be opened only on petition for rehearing, bill of review, or appeal.

From the point of view of time any order is interlocutory that "speaks between" the beginning and the end of the litigation. But from the point of view of essence only those orders are interlocutory which abstain from determining the merits of any foundational issue of title or right and do no more than control temporarily the possession or use of property or the actions of the parties in order that the decree or decrees on the merits when rendered may be effectively executed.

Injunction cases (and there can be in reason no difference between the equitable protection of patent rights and other rights) furnish a particularly clear example of the essential distinction. An owner of property is harassed by repeated and continuing trespasses. He may bring a common law action for damages on account of the trespasses. But that is not an adequate remedy against a persistent trespasser. So the owner invokes the equitable remedy of injunction devised by the old-time chancellors. In his bill he sets forth his title and right to exclusive possession and the defendant's repeated and continuing trespasses as indicative of the defendant's intent to trespass in the future, and thereupon prays, always for a permanent injunction, and sometimes for a temporary. If on affidavits and other informal and inconclusive evidence the chancellor orders the defendant to refrain until he can determine the equities on a full and formal submission and deliberate consideration of all the evidence and law, the order is not only interlocutory in time but also in essence. But when the parties have submitted everything they have respecting title and right to exclusive possession and the defendant's minatory attitude, and thereupon the chancellor enters a permanent injunction, immediately executable, the order is final in essence on the issues submitted and determined, but may be either final or interlocutory in time relation. It is final in time if the owner asks no damages for past trespasses, or, having asked, waives them. (In *McGourkey v. Toledo & Ohio Ry. Co.*, 146 U. S. 536, 546, it was said that a decree fixing the rights and liabilities of the parties and ordering an accounting before a master is final in time relation, that is, for the purposes of appeal, "if such accounting be not

asked for in the bill.") It is interlocutory in time if the owner sets up and demands his damages for past trespasses and the chancellor reserves that matter for future judicial action. But how comes the chancellor to act at all upon the matter of damages? Injunction, which is the sole basis of the equitable jurisdiction over the bill, is prospective,—it regulates the conduct of the defendant for the future. Damages concern only the past. For them a common law action was proper and adequate. But the chancellor, having rightly taken cognizance of an equitable subject-matter, rightly concludes, in order that there may be a speedy determination of both the equitable and the legal causes of action concerning the same property, not to remit the parties to the common law court, but to entertain the common law cause of action as an appendage of the equitable cause. When the chancellor has found the complainant's title and right to exclusive possession and from evidence of the defendant's repeated and continuing trespasses has found the defendant's threat as to the future, his entry of a permanent injunction exhausts every equitable issue in the bill. But the same evidence that discloses the defendant's threat as to the future usually proves the existence of damages for past trespasses. All that remains in such a case is to ascertain one element, the amount, in order to make the common law cause of action complete. And it is more convenient that this should be done in the court that already has jurisdiction of the parties and has established from the evidence the foundation of the common law cause of action. So the decree of a permanent injunction, determining as it does all the equities of the bill, is final as to the equities, irrespective of whether an accounting of damages for past trespasses is or is not reserved for future action.

With respect to time relation the distinction between a temporary and a perpetual injunction may be ignored without injury to the parties. If a decree that holds or creates a status until a full hearing can be had is challenged, the appeal must be taken within thirty days. Such a decree is interlocutory both in time and in essence. If a decree dismisses an injunctive bill for want of equity, a period of six months is allowed for appeal. Such a decree is final both in time and in essence. If a decree establishes a perpetual injunction and orders an

accounting, no injury is done if, as a matter of procedural law, it be held that an appeal must be taken within thirty days. Such a decree, though final in essence, is interlocutory in time, and, stressing time in procedure, it may be better that the decree be classified as interlocutory for the purposes of appeal. But, although appeals from decrees of temporary injunction and from decrees of perpetual injunction with accounting reserved are thus brought within the same section of the appellate practice statute, no bar to recognizing the difference in essence between temporary and perpetual injunctions is thereby formed. On appeal from a decree of temporary injunction, the only question is whether the trial court abused its discretion in holding or creating a status. If a decree of perpetual injunction with accounting reserved must be held to be interlocutory in essence because it is held to be interlocutory in time, then the only question on appeal would be the chancellor's abuse of discretion. This very contention was presented in *Smith v. Vulcan Iron Works*, 165 U. S. 518, and was rejected.

If a decree of perpetual injunction with accounting reserved is merely interlocutory in essence, then the defendant as a matter of right can insist that the chancellor hear again the same evidence and newly discovered evidence and decide anew the equities of the bill. If such a decree is affirmed on appeal, its character, if interlocutory in essence, is not thereby changed, and the defendant could still insist on having his day in the trial court on the merits. In reply to such an insistence in *In re Potts*, 166 U. S. 263, the court said:

"The decision and decree of this court did not amount indeed, technically speaking, to a final judgment, because the matter of accounting remained to be disposed of. But they constituted an adjudication by this court of all questions, whether of law or fact, involved in the conclusion that the letters patent of the plaintiff were valid and had been infringed. The questions of novelty and infringement were before this court, and disposed of by its decree, and must therefore be deemed to have been finally settled, and could not afterwards be reconsidered by the circuit court."

And the defendant of course could not have the Supreme Court reconsider its final decree on validity and

infringement except by petition for rehearing. Inasmuch as the act creating the Circuit Courts of Appeals requires those courts to hear and determine patent cases in the way theretofore done by the Supreme Court, we had assumed that our books were closed on the questions of the validity and infringement of the Christensen patent ever since 1915.

*Lovell-McConnell Co. v. Auto Supply Co.*, 235 U. S. 383, involved a matter of taxable costs in a Circuit Court of Appeals. The fees in question were not taxable if the decree appealed from was a "final decree." It was held that a decree finding a patent valid and infringed, awarding a permanent injunction, and directing an accounting of damages and profits, was a final decree for the purpose of determining the rights of the parties concerning costs. If a decree that is held to be interlocutory for the purpose of appeal is held to be final respecting a right to costs, how much more important it is that such a decree be held to be final respecting the right to hold a permanent injunction based on findings of validity and infringement after a full submission and consideration of all the evidence and the law bearing on those issues.

In *Hamilton Shoe Co. v. Wolf Brothers*, 240 U. S. 251, the statute governing the issuance of writs of certiorari by the Supreme Court to Circuit Courts of Appeals was interpreted and applied. It was held that a refusal to grant the writ on application to review a decree of perpetual injunction with accounting reserved was not equivalent to an affirmance of that decree by the Supreme Court; and that, a writ of certiorari having been granted after the Circuit Court of Appeals had passed on the accounting, the whole case was before the Supreme Court for review. This procedural decision is not deemed by us to oppose a holding that a decree of perpetual injunction with accounting reserved is a final decree on the equities unless vacated on appeal or writ of certiorari.

*Hart Steel Co. v. Railroad Supply Co.*, 244 U. S. 294, is relied on by petitioner as demonstrating that the decree here in question is merely interlocutory in essence. In that case a bill for infringement was dismissed for want of equity by a District Court in Ohio, and that decree had been affirmed by the Circuit Court of Appeals for the Sixth Circuit. Contemporaneously a bill by the same

complainant against different defendants was pending in a District Court in Illinois, and that bill was dismissed for want of equity. When the appeal from that decree came before this court, the defendants-appellees moved that the decree of the District Court be affirmed on the ground that they were in privity with the defendant in the Ohio case. The Supreme Court held that the issue of the defendants-appellees' having been privies to the decree of the District Court in Ohio was pleadable and the question of fact triable in this appellate court. The decrees of the two District Courts and the decree of the Circuit Court of Appeals for the Sixth Circuit were all final decrees both in time and in essence. No question arose or could arise whether a decree of perpetual injunction, immediately executable, though interlocutory in time by reason of a reserved accounting, is or is not final in essence on the issues of title and right of exclusive use. Our understanding of the Hart case is that the first adjudication on the equities of a bill is binding on the parties and their privies. In what ways that first adjudication may be availed of are matters of procedure. We do not understand that the intention of the parties in submitting their full proofs and the character of such submission and the intention of the court in giving deliberate consideration to all the evidence and law the parties can present and the character of the result of such consideration are dependent upon the subsequent condition that the court shall always deny and never grant the equitable relief prayed for in the bill.

We are unable to find, as a matter of substantive law, that a perpetual injunction has only a temporary purpose and force.

The petition is

DENIED.

FILED  
MAY 26 1918  
JAMES D. HAN  
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IN THE

**Supreme Court of the United States.**

OCTOBER TERM, A. D. 1918.

No. 1  111

NATIONAL BRAKE & ELECTRIC COMPANY,  
*Petitioner,*

vs.

NIELS A. CHRISTENSEN AND ALLIS-CHALMERS  
COMPANY,  
*Respondents.*

BRIEF OF RESPONDENTS IN REPLY TO PETITION AND  
BRIEF FOR WRIT OF CERTIORARI TO THE UNITED  
STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH  
CIRCUIT.

JOSEPH B. COTTON,  
WILLIAM M. SPOONER,  
LOUIS QUARLES,  
WILLIAM E. RUMMAGE,  
*Solicitors and of Counsel  
for Respondents.*







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STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH  
CIRCUIT.

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**STATEMENT OF FACTS**

Petitioner asks relief from the refusal of the Circuit Court of Appeals for the Seventh Circuit to take jurisdiction of and grant an original motion made therein when no case or proceeding was or had been pending therein for

over three years. The suit to which the motion referred was for infringement of a contract of patent monopoly grant to respondent Christensen evidenced by two letters patent No. 621,324 and 635,280. They were identical as to specifications and claims except that the first was erroneously issued by the office with a fugitive sheet therein and to correct this the second was issued. The opinions and decree finding the patent grant valid both held that it was "academic" as to which patent evidenced the grant (R.p.11g & 12) and the decree itself for convenience referred to the second patent. (R.p.11p) The District Court later expressly held that it was not called upon to and did not decide between the two patents. (R.p.305) The question of the correctness of this decree in view of the existence of two patents evidencing one and the same grant was sought to be reviewed by this court in a petition for certiorari filed by the same petitioner which was denied February 21, 1916. (R.p.12m, 241 U.S. 659)

After the patent was upheld and while the accounting was proceeding another action was commenced by respondents against the Westinghouse Traction Brake Company as defendant in the District Court for the Western District of Pennsylvania. (They also at the same time commenced a like action against the General Electric Company the merits of which have never been determined and which accounts for its interest as *amicus curiae*.) The that particular defendant of the second patent only. The Court of Appeals of the Third Circuit decided on certiorari that as to that particular defendant the question of the relative validity of the two patents was material because of the limited claim of marking and notice as to it, and held that the first patent was valid and the second was void. (R.p.113,127) A separate decree was entered by the District Court at Pittsburgh on the second patent

alone (R.p.127), the case continued upon the first patent as to questions of anticipation, notice, etc. Subsequently through financial inability on the part of respondent Christensen to proceed (the other respondent being a mere nominal party), the respondents permitted the taking by petitioner of a judgment or an order dismissing the case for want of prosecution as to the first patent (R.pp. 130,236) and this order was construed by the District Court of the Western District of Pennsylvania, the Circuit Court of Appeals of the Second Circuit, and the District Court for the Eastern District of Wisconsin, as being a mere dismissal and not involving or in any wise determining the merits of the action. (R.pp. 256, 259, 295, 305.)

The opinion of the Court of Appeals does not attempt to analyze the two litigations as to privity, identity of subject-matter, finality or lack of finality of the decree entered in Pittsburgh, etc.; but for the purpose of deciding the question of the status of the decree theretofore appealed from passes those questions without comment, merely stating that they "have stated the case only in that aspect." (R. p. 326). There is, however, one mistake in their statement of facts. Referring to the litigation in Pittsburgh they say: "That litigation resulted in a decree \* \* \*holding the patent invalid and dismissing the bill for want of equity." (R. p. 326). That is not the fact as will be shown more fully under Subdivision II *infra*; for the District Court at Pittsburgh and the Court of Appeals for the Third Circuit found and upheld a patent in respondent Christensen as a valid patent and held that it was evidenced by the first patent, and entered a judgment dismissing the bill as to the second patent only. The result was that the bill was not dismissed, the litigation was pending, and the Court of Appeals said:

"Only the first patent (621,324) was left, and as to this the bill was reinstated, the result being\* \* \*the litigation on this patent was just where it was before the bill was dismissed in the preceding February." (R.p. 301).

The original motion made in the Court of Appeals of the Seventh Circuit was entitled in the original suit *against the National Brake & Electric Co.* pending before the District Court, and was predicated upon an alleged conflict between the aforesaid partial decree entered in Pittsburgh referring to the validity of the second patent only as evidence of the grant as against a particular defendant and the decree entered by the District Court at Milwaukee upholding the evidence in respondent Christensen to a patent (as did the Third Circuit), and finding infringement thereof. This motion not only asked that the Circuit Court of Appeals for the Seventh Circuit recall its mandate and direct the District Court to summarily dismiss the accounting proceedings in so far as they were based on the second patent *but also to forthwith and without a trial hold the first patent also void and enter a decree terminative of the entire proceedings in their favor.* This the Court of Appeals properly refused to do.

## ARGUMENT

### I.

**THE CIRCUIT COURT OF APPEALS OF THE SEVENTH CIRCUIT WAS RIGHT IN HOLDING THAT THE DECREE OF THE DISTRICT COURT FOR THE EASTERN DISTRICT OF WISCONSIN OF AUGUST 21, 1914, FINDING INFRINGEMENT AND GRANTING A PERPETUAL INJUNCTION, AS AFFIRMED OCTOBER 5, 1915, WAS FINAL IN THIS LITIGATION.**

The decision of the Circuit Court of Appeals of the Seventh Circuit under review here correctly states the law

as laid down by this and other courts. The opinion makes a careful and masterly distinction between form and substance, practice and essence. There has been a noticeable and growing tendency on the part of courts to get away from the old, technical, formal matters and to get down to the underlying basic substance of things. Originally the distinguishing feature of a final decree as against an interlocutory one was that it was enrolled. That distinction has long ago been departed from and under the Equity Rules no decrees are enrolled. Some courts, however, notwithstanding that change, continued to apply the distinction which had theretofore been based thereon, but the modern tendency has been clearly to the contrary, and to hold that a decree is either final or not final, dependent upon whether or not it in effect decides and determines the rights of the parties.

This is very clearly illustrated in entirely analogous cases by the holding in

*Canal Co. v. Louisiana*, 233 U.S. 371, 372.

where a decree that disposed of substantially all of the property and reserved a question of an accounting was held to be a final decree. That decree is entirely analogous with the decree in question here.

The Circuit Court of Appeals of the Fourth Circuit has held similarly in

*Cedar Co. v. Peoples Bank*, 111 Fed. 446 (C.C.A. 4th Cir.)

This court has recently been called upon to decide as to whether a decree granting a perpetual injunction and an accounting in a patent case was or was not final. The matter came up because of the statute regarding costs as applied to the circuit courts of appeal, and it was held in

*Lovell-McConnell Co. v. Auto Supply Co.* 235 U.S. 383, 388

that such a decree was final. To the same effect is a decision in the Sixth Circuit in

*Smith v. Farbenfabriken, etc.*, 197 Fed. 894 (C.

C. A. 6th Cir.) In

*Marian Coal Co. v. Peale*, 204 Fed. 161, 163, (C.

C. A. 3rd Cir.)

it was held that a decree settling the issues but providing for taking of additional testimony and an accounting by a master, while it was "in form rather interlocutory" yet in truth it was really "final." In

*Meccano v. John Wanamaker*, 250 Fed. 250. (C.

C. A. 2nd Cir.)

a motion somewhat similar to the one in the case at bar was made but was denied because of lack of identity in the subject matter of the decree pleaded in bar with that of the case in which the motion was made. The court, however, held that a decree rendered in another action between parties holding the defendant guilty of infringement of a copyright and ordering an accounting was final and would operate as a bar when pleaded in another suit. The court said:

"The reason for the rule limiting the conclusiveness of interlocutory decrees does not apply; i.e., that the decree still remains in gremio, since the District Court has no longer any power to modify so much as has been affirmed by the Circuit Court of Appeals. For the purpose of this motion, we may assume that in so far as concerns the matters before the Circuit Court of Appeals, the issues have been finally and conclusively determined."

The Circuit Court of Appeals for the Seventh Circuit has continuously and consistently held that a decree sustaining a patent, finding infringement and granting a perpetual injunction is final. In

*Standard Elevator Co. v. Crane Elevator Co.* 70

Fed. 767 (C. C. A. 7th Cir.)



This doctrine was adhered to, and that notwithstanding that the decree referred the case to a master for an accounting for profits and reserved the question of costs. They said that as to such reserved questions it might possibly be interlocutory, but as to the merits adjudicated it was final. To the same effect is its decision in

*Featherstone v. D. E. La Verne etc. Co.* 80 Fed. 918, 920. (C. C. A. 7th Cir.)

Where as to a decree of the same sort it was held:

"The decree of Jan. 21, 1895, was a 'final' decree so far as concerns the ownership, validity and infringement of the patent."

The same result was reached and holding made in the Sixth Circuit in

*Bissell Carpet Sweeper Co. v. Goshen Sweeper Co.* 72 Fed. 545. (C. C. A. 6th Cir.)

the opinion being written by Judge Lurton (Judge Taft also sitting), in which he decided that after such a decree had been affirmed by the court of appeals it was final as to the ownership, validity, and infringement of the patent and the injunction thereon, and was not subject to further consideration by the court or attack by the parties.

There are a multitude of other analogous decisions holding that the essence of the decree must control, as to whether it is final or interlocutory, many of which are cited in the margin of the opinion of the Court of Appeals which appears in the supplement to the petition herein (p.38) (R.pp. 325, 330) in addition to which we beg leave to refer to the following cases:

*Murphy v. McLoughlin*, 247 Fed. 385-388 (C. C. A. 5th Cir.)

*Forgay v. Conrad*, 6 How. 200.

*Thomas v. Dean*, 7 Wall. 642.

*McGourkey v. Toledo, etc., R. Co.* 146 U.S. 526, 546.

THE DECREE OF AUGUST 21, 1914, WAS NOT PLEADED IN BAR OF ANOTHER SUIT, AND WHETHER IT DOES OR DOES NOT CONSTITUTE AN ESTOPPEL IN ANOTHER ACTION IS NOT MATERIAL TO THE CASE AT BAR. IT DOES HOWEVER SETTLE THE LAW OF THE CASE.

The decision of the Circuit Court of Appeals denying the petitioner's motion, was based upon the ground that the prior adjudication of that court that the patent was valid and infringed was "final." Counsel very cleverly seek to attack the decision of the court by claiming that the decree is not final in the sense that it can not, they say, be pleaded in bar of another action between the same parties or privies. No such holding was necessarily made in the case at bar. The decision may or may not have that effect. All that is involved in this litigation is the holding that in the same proceeding the Circuit Court of Appeals and the District Court were bound by their prior decisions as the law of the case, and this is settled law.

It is elementary that the rule of law of the case is but one phase of the rule of *res adjudicata* and that they are based on the same primal maxim *stare decisis et non quibus movere*.

The decision of the Circuit of Appeals in question here is based upon and is not in conflict with the decisions of this court. It follows exactly the holding of this court in

*In re Potts*, 166 U. S. 263, wherein it was said:

"The decision and decree of this court did not amount indeed, technically speaking, to a final judgment, because the matter of accounting remained to be disposed of. But they constituted an adjudication by this court of all questions, whether of law or fact, involved in the conclusion that the letters patent of the plaintiff were valid and had been infringed. The questions of novelty and infringement were before this

court, and disposed of by its decree, and must therefore be deemed to have been finally settled, and could not afterwards be reconsidered by the circuit court."

The decree of August 21, 1914, held that respondent Christensen had a patent, that it was valid, that it was infringed, and awarded a permanent injunction and an accounting. It disposed of all the issues in the case excepting only the purely collateral matter of accounting. That such matters are purely collateral is shown by decisions such as

*Road v. Railway Co.* 105 U.S. 189 and

*Tilghman v. Proctor*, 125 U.S. 136.

A case entirely on all fours with the present case and which we submit is entirely decisive of all the questions here sought to be raised, is

*Ellis v. Northern Pacific Railway Co.* 80 Wis 159, affirmed by this court as

*Northern Pacific Railway Co. v. Ellis*, 141 U.S. 458.

In that case plaintiff brought an action to quiet title and was met with a demurrer. On appeal to the Supreme Court of Wisconsin a decision was rendered overruling the demurrer and the case was remanded for further proceedings. Thereupon plaintiff moved for leave to file a supplemental complaint and to plead a final judgment that had subsequently been obtained in the Federal Court for the Western District of Wisconsin which adjudicated the same questions between the said parties, and upon the matter again coming to the Supreme Court of Wisconsin for review it was held that the previous decision on demurrer settled the law of the case and that could not be changed or affected by pleading the other judgment in bar. A writ of error was thereupon sued out to this court

to review this decision and the decision was affirmed. Chief Justice Fuller, speaking for the court said:

"The judgment before us was rendered in accordance with well-settled principles of general law, not involving any Federal question, and did not deny to the decree of the Circuit Court the effect which would be accorded under similar circumstances to the judgments and decrees of the state court."

When a case has once been decided by an appellate court and remanded to the trial court that court must execute the decree of the appellate court according to the mandate. It cannot go behind the mandate in any way nor avoid the full effect and operation thereof, as that settles the law of the case and is final.

*In re Sanford Fork & Tool Co.*, 160 U. S. 247, 255.

Mr. Justice Gray says:

"When a case has been once decided by this court on appeal, and remanded to the Circuit Court, whatever was before this court, and disposed of by its decree, is considered as finally settled. The Circuit Court is bound by the decree as the law of the case; and must carry it into execution, according to the mandate. That court cannot vary it, or examine it for any other purpose than execution; or give any other or further relief; or review it, even for apparent error, upon any matter decided on appeal; or interfere with it, further than to settle so much as has been remanded."

Other decisions to the same effect abound. There are three of them at least in the seventh circuit.

*Standard Sewing Machine Co. v. Leslie*, 118 Fed. 557. (C.C.A. 7th Cir.)

*Supreme Lodge, etc., v. Lloyd*, 107 Fed. 70. (C.C.A. 7th Cir.)

*Cable v. United States Life Ins. Co.* 111 Fed 19-23. (C.C.A. 7th Cir.)

*Featherstone v. D. E. La Verne etc. Co.*, 80 Fed. 918, 920. (C. C. A. 7th Cir.)

The same rule is approved by this court in

*Providence Rubber Co. v. Goodyear*, 76 U. S. 788, 801.

"The rights of the parties are settled by the decree, and nothing remains but to ascertain the damages and adjudge their payment."

Res adjudicata is a form of estoppel. A judgment may be used to estop another from proving the contrary. The only time that it can be used as a bar to such proof is before such proof is offered, or at least before an adjudication has been had thereon. After a party has proved the facts bearing on his contention and obtained a final adjudication based on that contention it is an anomaly to say that it can be estopped from claiming the benefits of such adjudication. The time to prove an estoppel must be when the question is being investigated and adjudicated and not after that part of the contest has been concluded.

Even though the language of this decision is susceptible of meaning that this decree being final in substance could be pleaded in bar of another suit, no such question was before the Circuit Court of Appeals. No such question is before this court. All the Circuit Court of Appeals could and did decide was that it settled the law of this case. If an attempt is ever made to plead this decree in bar of another suit then will be the proper time to argue that proposition, at this time it is purely a moot question.

## III.

**THE CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT HAD NO JURISDICTION TO ENTERTAIN THE ORIGINAL MOTION OR PROCEEDING BROUGHT THEREIN.**

At the threshold of the inquiry counsel was necessarily faced with the question of the jurisdiction of the Circuit Court of Appeals of the Seventh Circuit over their "original motion" or "original proceedings," as they variously termed it. They very naively state in their petition

"That no question of jurisdiction or of procedural practice arises in this matter as to the form or method of the application to the Circuit Court of Appeals in this case. The Circuit Court of Appeals took jurisdiction of the application \* \* \* and decided the same as before set forth solely on the question of the final or interlocutory nature of the decree of the Wisconsin District Court," (Petition p. 9)

and in their brief that the question of the finality of the decree of the District Court in Wisconsin of August 21, 1914

"is the sole question which the Circuit Court of Appeals *felt itself called on to decide in this proceeding.*" (Italics ours.)

(Brief p. 12). It is true that within certain limitations the rule of *quod non apparet non est* applies, but unfortunately that does not apply to questions of jurisdiction. Neither counsel nor the court can by shutting their eyes to the question deny its existence. This want of jurisdiction was duly raised by answer to the petition in the Court of Appeals. (R. Vol. 1, p. 12.)

It must be borne in mind that the decree of the District Court at Milwaukee was entered August 21, 1914, and affirmed by the Court of Appeals of the Seventh Circuit on

October 5, 1915, whereas the "application" or "motion" under consideration here was not made until August, 1918, which manifestly was long after the expiration of the term of the Court of Appeals.

The only proper procedure warranted by the authorities is a petition to the Circuit Court of Appeals for leave to make a motion in the trial court for the reopening of the decree and for leave to serve and file a supplemental answer in the case pending therein setting up *res adjudicata* as a plea in bar. The authority relied on by counsel for petitioner is clearly in support of the proposition just stated, i. e.,

*In re Potts*, 166 U.S. 263, 265, 267.

In that case this court reversed the district court for entertaining such a motion without prior leave of this court contrary to its mandate, and then held that on request being made to it for leave to file the motion in the court below it would and did grant such leave. The history of the litigation is set out in

*Potts v. Creager*, 97 Fed. 78, 79. (C.C.A. 6th Cir.)

Such procedure is also in conformity with the directions of this court as contained in the 34th Equity Rule.

Exactly the same situation has been passed on by the Circuit Court of Appeals many times. See

*Sundh Electric Co. v. Cutler-Hammer Mfg. Co.*  
224 Fed. 163, 170. (C.C.A. 2nd Cir.)

In that case there was a similar application to reopen and try again the issue of validity foreclosed by the first appeal made in the Court of Appeals of the Second Circuit. The court said:

"This application is made a long time after the expiration of the term at which our decision in 204 Fed. 277 was rendered. It is therefore now beyond our power to recall the mandate. (citing cases) \* \* \* It follows that in this court there is nothing to reopen, no pending cause in which the newly discovered evidence should be produced. There is such a cause in the District Court, and all that prevents application to the discretion of that court for leave to introduce said evidence is our mandate. \* \* \* The District Court cannot upon the interlocutory decree affirmed by our mandate; but it can exercise its discretion and form its own judgment as to whether such reopening and taking of additional testimony should be permitted and if and when it requests leave so to do, we can grant such request. \* \* \* This application may now be made in the lower court wherein in some shape it must always be made; for the motion to reopen is in effect an application for leave to file a supplemental bill in the nature of a bill of review."

See also

*In re Gamewell, etc., Co.* 73 Fed. 908, 914. (C. C.A. 1st Cir.)

In that case an application similar to the one in the case at bar was made. The court denied it and held they had mistaken their remedy, saying:

"We determine only that the petitioners may have permission to apply to the court below for leave to file their bill stated in the petition. \* \* \*"

The Court of Appeals can and should pass on such questions as appear on the face of the petition, this would include "first, that of the materiality of the alleged new matter; and second, that of laches."

*Rubber Co. v. Goodyear*, 9 Wall, 805

All other questions are left to the decision of the District Court in which the suit is pending.



Similar motions have been denied in the following cases among others :

*Firestone Co. v. Seiberling*, 245 Fed. 938. (C. C.A. 6th Cir.)

*Greene v. U. S., etc., Co.* 124 Fed. 961. (C.C.A. 1st Cir.)

*Boston, etc., Co. v. Bemis*, 98 Fed. 121. (C.C.A. 1st Cir.)

*Bank v. Taylor*, 53 Fed. 854, 866. (C.C.A. 7th Cir.)

The Circuit Court of Appeals of the Seventh Circuit had no power to issue any writ of certiorari or mandamus on such an original application or motion. It is a purely statutory court and its power to issue high prerogative writs is limited to their use in aid of its appellate jurisdiction. It is an appellate tribunal solely and has no original jurisdiction and in that respect it differs from this court. The motion in the case at bar was not sought or pretended to be sought in aid of appellate jurisdiction and therefore the court had no right to grant the relief prayed for

*Muir v. Chatfield*, 255 Fed. 24. (C.C.A. 2nd Cir.)

*Travis County v. King Iron Bridge, etc., Co.* 92 Fed. 690, 693. (C.C.A. 5th Cir.)

Certiorari denied 174 U. S. 801.

*In re Paquet*, 114 Fed. 437. (C.C.A. 5th Cir.)

*In re Garrosi*, 229 Fed. 363. (C.C.A. 1st Cir.)

*Hammond Lumber Co. v. U.S. District Court*  
240 Fed. 924, 926, 927. (C.C.A. 9th Cir.)

*United States v. Pearson*, 32 Fed. 309.

*Burnham v. Fields*, 157 Fed. 246.

*In re Forsyth*, 78 Fed. 296, 301.

*United States v. Nashville*, 217 Fed. 254, 259.

## IV.

**THE CIRCUIT COURT OF APPEALS HAD NO POWER TO GRANT  
THE RELIEF SOUGHT BY PETITIONER'S MOTION.**

The petitioner's motion went a great deal further than its statement of it in the petition here would lead one to believe. They did not ask leave to file a supplemental answer in the court below, nor did they limit themselves to asking that the court recall its mandate and the case be dismissed as to the second patent, which confessedly was the only one that was passed upon by the Court of Appeals of the Third Circuit, but they went much further and asked that the court summarily dismiss the entire accounting proceedings, which was sustainable on the first patent equally with the second. Their motion appears in the record Vol. 1, pages 1 to 7, and sets up the existence of some of the facts surrounding the issue of both patents (paragraph 10 thereof, record pp. 4 and 5) and asks that the action be dismissed upon both patents. (R.p. 6) It is true they allege that the validity of the second patent only had been passed upon by the District Court in Wisconsin, but that is contrary to the undisputed record. See opinions of the District Court pp. 11g, 11j, 12, 12e and 305. The Circuit Court of Appeals of the Seventh Circuit expressly said:

"It is of no moment which of the two patents be held to be in force. The surrender for cancellation of the one was conditioned upon the grant of a valid legal substitute. If the Commissioner of Patents was without authority to issue the second, then, in our judgment, his action in cancelling the first must be deemed legally ineffective. We agree, however, with the learned trial judge that while Christensen's procedure did not aim at a reissue, the situation is identical with that presented on an application for reissue and that without formal application, the later patent

might have been designated as a reissue. This is a case of pure clerical error, not of double patenting. While two documents have been issued, there is but a single grant of one and the same right to the same person."

(Certorari denied 241 U.S. 659)

It is to be borne in mind that no disposition was ever made by the Circuit Court of Appeals of the Third Circuit, of the bill. The Court of Appeals of the Seventh Circuit is in error in its opinion when it says in referring to the litigation in Pennsylvania

"That litigation resulted in a decree, entered in 1917 pursuant to the mandate of the Circuit Court of Appeals for the Third Circuit, holding the patent invalid and dismissing the bill for want of equity."

(Petition and brief p. 34, R. p. 326)

At the outset it is to be noted that the Court of Appeals in its decision did not attempt to go into the question of the identity of the issues in the two litigations but that

"respondents dispute petitioner's contention as to the identity of subject matter and parties in the two decrees. But at the threshold lies the question of the nature and effect of the Wisconsin decree, affirmed by this court, and we have stated the case only in that aspect." (R.p. 326).

i.e., the Court of Appeals has for the purpose of its decision and of testing the finality of the decree taken petitioner's statements at their face value for the purposes of the argument only.

A mere inspection of the record will make it clear that the litigation in Pennsylvania resulted in two decrees the first, and the one that is sought to be interposed as a bar, read "that the bill be and hereby is dismissed as to said patent No. 635,280 with costs to defendant" (R.p. 127) That was entered pursuant to the mandate of the Circuit Court of Appeals of the Third Circuit which

provided that the original decree of dismissal

"is hereby reversed with costs so far, and so far on as it effects patents No. 621,324 issued March 21, 1896 and No. 635,280 issued October 17, 1899, and the bill reinstated for further proceedings in conformity with the opinion of this court," (R.p. 126)

Inasmuch as patent No. 621,324 was the only patent left in the record the action was left pending thereon. This the Circuit Court of Appeals of the Third Circuit concurred, saying:

"Only the first patent (621,324) was left, and as to this the bill was reinstated, the result being, that (excepting for our decision) *the litigation on the patent was just where it was before the bill was dismissed in the preceding February.*" (R.p. 301).

It is very apparent even from this brief analysis of the litigation in the Third Circuit that neither the District Court nor the Court of Appeals there passed upon the issues tendered by the bill in the Seventh Circuit and there decided and adjudicated. That court did hold that respondent Christensen had a patent, that it was evidenced by the first patent (No. 621,324), and that his grant of patent monopoly right was valid and subsisting. It was to that extent entirely in harmony with the decision in the Seventh Circuit, which latter court had held that either the first or the second patent evidenced the patent and it was "academic" which constituted the evidence thereof. There was thus absolute harmony between the two circuits and no conflicting adjudication in the Third. An elaborate and careful analysis of the two litigations was made by Judge Geiger in the District Court in Wisconsin and formed one of the bases for his denying the petitioner's application when originally made to him on a motion to dismiss. We refer the Court to his analysis of the Third Circuit litigation and the inconclusiveness of the results therein arrived at. (R.pp. 318 & 305-317).

In view of this situation the Circuit Court of Appeals was manifestly without power, on a mere motion to terminate the entire litigation which was pending upon both patents and sustainable on either.

## V.

**THE ENTERTAINING OR REFUSING BY EITHER THE CIRCUIT COURT OF APPEALS OF THE SEVENTH CIRCUIT OR THE DISTRICT COURT OF THE EASTERN DISTRICT OF WISCONSIN OF LEAVE TO PETITIONER TO MAKE AN APPLICATION IN THE NATURE OF A BILL OF REVIEW WAS PURELY DISCRETIONARY AND THEREFORE WILL NOT BE REVIEWED BY THIS COURT.**

That both the Court of Appeals and the District Court must first pass upon this question of granting leave to file the bill of review before going into the merits thereof is we submit clearly supported by the authorities heretofore stated. That each of these applications is addressed to the discretion of the two tribunals is equally clear and equally well supported by the authorities. It therefore follows that neither court having exercised its discretion in favor of the petition or having based its refusal on anything which would constitute or has been claimed to constitute an abuse of discretion, this court will not interfere therewith or review the determination of the courts below. More than that, both courts have indicated that they would not entertain a petition or grant leave to the petitioner to open up and relitigate the issues heretofore decided and settled, and in view of the extreme amount of lapse of time, between four and five years, during all of which time an accounting proceeding had been pending, and petitioner put to time, trouble, and expense therein, it would seem necessarily to follow that the intervening rights of

respondents were such as to at this late date preclude petitioner from making an application which would appeal to the discretion of either of those courts or to this court.

## VI.

**THE JUDGMENT OF THE DISTRICT COURT FOR THE WESTERN DISTRICT OF PENNSYLVANIA ATTEMPTED TO BE SET UP AS A BAR DOES NOT DISPOSE OF THE ISSUES IN THIS CASE, AND NEITHER THE DISTRICT COURT OF WISCONSIN NOR THE COURT OF APPEALS OF THE SEVENTH CIRCUIT HAVE HELD THAT THERE WAS ANY PRIIVITY BETWEEN THE PARTIES, THAT THERE WAS AN IDENTITY OF ISSUES, OR THAT THERE WAS ANY CONFLICT BETWEEN THE DECISIONS OF THE COURTS OF APPEAL OF THE THIRD AND SEVENTH CIRCUITS; IN FACT THEY HAVE HELD THE CONTRARY.**

The case pending before the District Court for the Eastern District of Wisconsin is predicated upon a grant of patent monopoly right evidenced by both or either of two patents numbered respectively 621,324 and 635,280, and referred to herein as the first and second patents respectively. As we have shown *supra* herein, the District Court and the Court of Appeals of the Seventh Circuit held that it was immaterial which of these patents evidenced the grant. They were identical as to specifications and claims and either or both of them evidenced plaintiff's right in his invention and would support the bill. This contention this court has refused to review on certiorari. (R.p. 12m. 241 U.S. 659)

The Circuit Court of Appeals of the Third Circuit came to the same conclusion and in its opinion it said:

"We think it clear that the question now presented was not directly decided in the Seventh Circuit. As the suit there was begun in December, 1906, when both patents were only between 7 and 8 years old,

the question which patent was in force was "academic." One or the other was valid, and as the invention was identical the infringer was not harmed by being enjoined under one rather than the other. In point of fact the injunction was under the second patent, and this is the decree that was affirmed, although the opinion of the Court of Appeals may be thought to lean toward the view that the first patent continued to be in force, and that the second patent had been erroneously granted." (R.p. 120)

This should effectually dispose of the question of any conflict between the two Circuit Courts of Appeal, each court having said that no such conflict exists.

The question presented in the litigation in Pennsylvania arose because that particular defendant, Westinghouse Traction Brake Company, was not charged in the bill with knowledge or notice of the first patent, nor was it claimed that there was any marking thereunder as to it, but it was charged with notice of the second patent only. The bill was filed very shortly before the patents expired and the answer was put in after both patents had ceased to exist. The question thus was solely one of accounting. Proof of marking or notice was necessary on behalf of plaintiffs to support a recovery as against that defendant. This they there alleged as to one patent only, i. e., the second. In view of that situation the Court of Appeals for the Third Circuit held that the question was material as to that defendant as to which of the patents was valid and said:

"We are therefore required now to decide between the two, \* \* \* and in our opinion the decision should be in favor of the first patent." (R.p. 120)

In view of this situation we submit that it is clear that the decision of the Court of Appeals of the Third Circuit holding the first patent valid and the second patent void as evidence of the grant is not terminative of any of the issues in the instant case and certainly not of all the issues.

As to the first patent the litigation proceeded in Pittsburgh and finally ended because of the poverty of respondent Christensen (the other respondent being a mere nominal party) in an order dismissing the bill for want of prosecution. The cases are clear that such a dismissal is not a decree on the merits which will operate as a bar anywhere and therefore this branch of the litigation has never been terminated finally in the Third Circuit.

*Colorado Eastern Ry. Co. v. Union Pacific Ry. Co.*, 94 Fed. 312, 313.

*Whitaker v. Davis*, 91 Fed. 721.

*Brown v. Fletcher*, 182 Fed. 963, 980. (C.C.A. 6th Cir.)

*United States, etc., Co. v. Bradley*, 143 Fed. 523, 530, 531.

That situation is reinforced in the case at bar because petitioner attempted later to obtain a judgment on the merits as to the first patent and failed therein, the court giving the reasons for such refusal.

"That decree is not in conformity with the facts, inasmuch as it states that as to patents 621,324 and 635,280 the bill of complaint is dismissed on the merits. The merits of the controversy were not considered by the court." (R.p. 257, 258.)

This was affirmed by the Court of Appeals of the Third Circuit. (R.p. 300.)

It has been held by this court that the refusal of a court to consider a decree of *non pro*, as a bar was not a question of such import as would cause this court to take jurisdiction on certiorari.

*In re Woods*, 143 U.S. 202, 206.

There can be no question in the case at bar as to marking and notice under either the first or second patents. The accounting has been completed before the Master, who has filed his opinion and all but completed the computa-



tions of figures. The record shows that the petitioner had prior to the commencement of the action a license from respondent Christensen under both the first and second patents (R.p. 218, 224. See history thereof R.p. 214,) that it ceased operating thereunder, slightly changed the form of the device in an attempt to avoid the language of the claims, and commenced infringing. As to the change in the device the Court of Appeals said: (R.p. 12g)

"We can see in defendant's structure, merely an attempt to evade complainant's patent, by first dividing the one sheet of metal into two parts without any reason therefor. \* \* \*

As to the action of the petitioner in terminating the license agreement and commencing infringement, that was passed upon the Master, who criticised it thus:

"It is sufficient to say that the evidence in this case clearly shows that the defendant, after terminating the license agreement with plaintiff Christensen, immediately commenced the manufacture and sale of infringing compressors, and continued such manufacture and sale for nearly ten years and until the expiration of the patent, notwithstanding a prompt commencement of this action, and notice to it of the plaintiff's claims. *This infringement may fairly be called wanton and deliberate.*" (Italics ours.) (R.p. 214)

In addition we also respectfully suggest that the questions of identity of issues, decrees, of privity of parties, of laches in the making of the motion by petitioner, of interfering rights, etc., are all questions of fact which have not been passed upon by either the District Court or the Circuit Court of Appeals, and that this court should not be expected to take jurisdiction and to pass upon them originally.

## VII.

## CONCLUSION

Respondents respectfully submit that the petition states but a very partial view of the facts, that the Circuit Court of Appeals for the Seventh Circuit properly held that the decree in the District Court after its affirmance settled all of the issues between the parties excepting a mere accounting was therefore terminative of the merits of the litigation and final, and that such a decree became the law of the case. It is beside the question for petitioner to argue as to the effect of such a decree if pleaded in bar in another action, as that has not been here attempted. If we should plead this decree in bar of another action, the question whether it is or is not *res adjudicata* might then be raised in the *other* case, but not in *this*. It has not and cannot be shown that the result of the litigation in Pittsburgh was to decide the issues involved in the present action, nor was that action ever terminated on the merits but was dismissed for want of prosecution merely. Neither has there been or can there be shown to be any conflict between the holdings of the two Circuit Courts of Appeal, each has found the existence of a valid patent in respondent Christensen identical as to specifications and claims and sustained a bill of complaint based thereon.

The Circuit Court of Appeals for the Seventh Circuit had no power to recall its mandate, to reverse itself, or issue writs of certiorari or mandamus to the court below as they were not sought for any aid of its appellate jurisdiction. The petitioner was caught red-handed in infringing a patent of—which the Master found it had ample notice,—by terminating its license, colorably changing the devices, and wilfully infringing, and the case is entirely within the letter and spirit of the decision of this court

as to the function of writs of certiorari in which it is said:

"We are not disposed to open the way to defendant to raise technical questions to embarrass the progress and delay the final ending of this action."

*Greene County v. Thomas' Executor*, 211 U.S.

598.

Respondents have been forced to constant litigation in the instant case since December, 1906, and even though the merits of their patent were decided in August, 1914, petitioner has kept them out of their money with the necessary irretrievable loss of interest.

It is respectfully submitted that the application should be denied.

JOSEPH B. COTTON,

WILLET M. SPOONER,

LOUIS QUARLES,

WM. R. RUMMLER.

*Counsel for Respondents.*

JUN 2 1919

JAMES D. MAHER

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CLERK

IN THE  
Supreme Court of the United States,

OCTOBER TERM, A. D. 1918.

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NATIONAL BRAKE & ELECTRIC COMPANY,

*Petitioner,*

*vs.*

NIELS A. CHRISTENSEN AND ALLIS-CHALMERS COMPANY,

*Respondents.*

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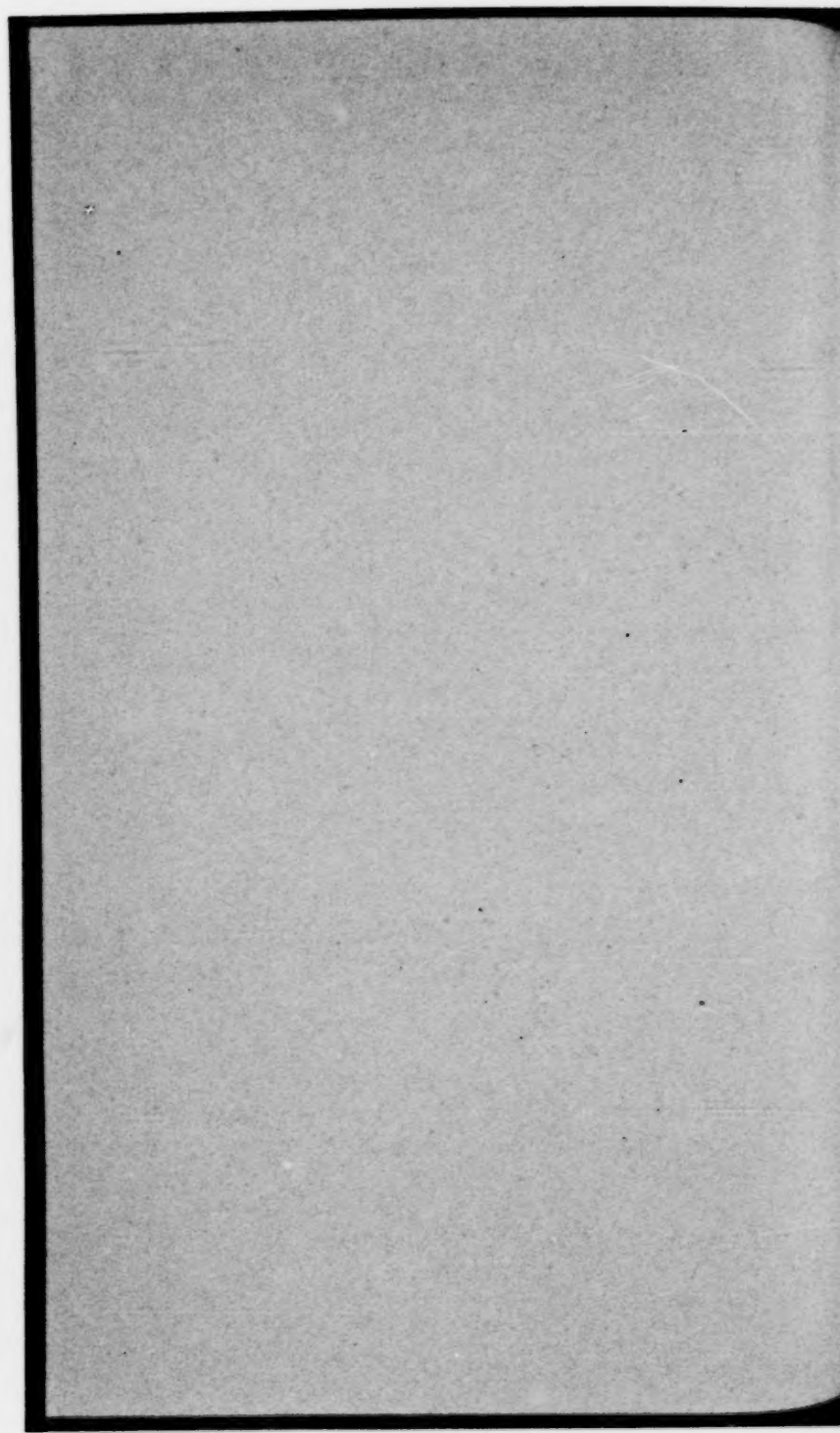
MEMORANDUM FOR GENERAL ELECTRIC COMPANY, AS AMICUS CURIAE,  
IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

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CHARLES NEAVE,

CLARENCE D. KERR,

*Solicitors for GENERAL ELECTRIC  
COMPANY.*



IN THE  
**Supreme Court of the United States,**

OCTOBER TERM, A. D. 1918

NATIONAL BRAKE & ELECTRIC  
COMPANY,  
Petitioner,

vs.

NIELS A. CHRISTENSEN and ALLIS-  
CHALMERS COMPANY,  
Respondents.

**MEMORANDUM FOR GENERAL ELECTRIC  
COMPANY, AS AMICUS CURIÆ, IN SUP-  
PORT OF PETITION FOR WRIT OF CER-  
TIORARI.**

The General Electric Company requests leave to file this memorandum in support of the Petition of the National Brake & Electric Company for a writ of *certiorari*.

There have been two cases pending between the same plaintiffs and the same defendant, or its privy, upon the same patent, No. 635,280 of Christensen, and involving substantially the same issues, one<sup>1</sup>, the case here at bar, in the Eastern District of Wisconsin, and the other<sup>2</sup> in the Western District of Pennsylvania.

<sup>1</sup>*Niels A. Christensen et al. v. National Brake & Electric Co.*

<sup>2</sup>*Niels A. Christensen et al. v. Westinghouse Traction Brake Co.*

## 2 MEMO. FOR GENERAL ELECTRIC COMPANY.

In the Wisconsin case the patent has been adjudged valid and infringed (Record, p. 12) and an interlocutory decree (Record, p. 11*q*) providing for an injunction and an accounting has been entered.

In the Pennsylvania case the patent has been declared invalid (Record, p. 113) and a final decree has been entered (Record, p. 127) dismissing the bill as to that patent.

The result is that the same patent, No. 635,280, is valid under the decision of the Circuit Court of Appeals of the Seventh Circuit, and is void under the decision of the Circuit Court of Appeals of the Third Circuit, the said decisions being rendered in cases between the same parties or their privies.

FIRST: To avoid the application of the doctrine of *res judicata* the Court of Appeals for the Seventh Circuit in a decision filed in April, 1919 (Record, p. 325), *asserts* that the interlocutory decree (Record, p. 11*q*) entered by the District Court in the Wisconsin case providing for an injunction and an account, is a final decree (except as to the account), and that as such decree was entered prior to the entry of the final decree in the Pennsylvania case, the Wisconsin decree is controlling.

Such a finding disregards the established law that the decree of a District Court sustaining a patent, declaring infringement, and sending the matter to a master to take and state an account of profits and damages, is interlocutory, and not final. This Court in *McGourkey v. Toledo & Ohio Railway*, 146 U. S. 536, 545, said:

"It is equally well settled that a decree \* \* \* in equity establishing the validity of a patent, and referring the case to a master to compute and report the damages, is interlocutory merely. *Barnard v. Gibson*, 7 How. 650; *Humiston v. Stainthorp*, 2 Wall. 106.

"It may be said in general that if the court make a decree fixing the rights and liabilities of the parties, and thereupon refer the case to a master for a ministerial purpose only, and no further proceedings in court are contemplated, the decree is final; but if it refer the case to him as a subordinate court and for a judicial purpose, as to state an account between the parties, upon which a further decree is to be entered, the decree is not final. *Craighead v. Wilson*, 18 How. 199; *Beche v. Russell*, 19 How. 283."

In *Smith v. Vulcan Iron Works*, 165 U. S. 518, 524, where it is said:

"But under the judicial system of the United States, from the beginning until the passage of the act of 1891 establishing Circuit Courts of Appeals, appeals from the Circuit Courts of the United States, in equity or in admiralty, like writs of error at common law, would lie only after final judgment or decree; and an order or decree in a patent cause, whether upon preliminary application or upon final hearing, granting an injunction, and referring the cause to a master for an account of profits and damages, was interlocutory only, and not final, and therefore not reviewable on appeal before the final decree in the cause."

This Court also in *Ex parte National Enameling Co.*, 201 U. S. 156, 161, 162, clearly laid down the principle that a decree providing for an injunction and an account like that in the present case was an interlocutory decree and was appealable only for exceptional purposes mentioned under section 7 of the then Court of Appeals Act, stating:

"It will be noticed that the appeal is allowed from an interlocutory order or decree granting or continuing an injunction, that it must be taken within thirty days, that it is given precedence in the appellate court, that the other proceedings are not to be stayed and that the lower court may require an additional bond. Obviously that which is contemplated is the review of the interlocutory order, and of that only. It was not intended that the cause as a whole should be transferred to the appellate court prior to the final decree."

Further, the Seventh Circuit Court of Appeals in holding the interlocutory decree was in substance a final decree, not only deliberately ignored the law as laid down by this Court, but also failed to follow its own prior decisions in *David Bradley Manufacturing Co. v. Eagle Manufacturing Co.*, 58 Fed. 721, 722 (7th C. C. A.) in which the Court said:

"The issue here was novelty of invention. The prior interlocutory decree was pleaded either as a bar or as matter more or less conclusive upon the question of



#### 4 MEMO. FOR GENERAL ELECTRIC COMPANY.

novelty, or perhaps in invocation of the doctrine of comity. It is immaterial which. If as a bar the pleading was defective upon the technical ground that the interlocutory decree had not ripened into a final decree, because the damages had not then been assessed. The validity of the patent had been determined, subject only to the power of the court to change its judgment before final decree. No objection was made to the sufficiency of the pleading when the final decree was stipulated in evidence. We are well satisfied that thereby the appellant waived the defective nature of the pleading, if the pleading is to be treated as a plea of *res adjudicata*." (Emphasis ours.)

And also in *Brush Electric Co. v. Western Electric Co.*, 76 Fed. 761, 764 (7th C. C. A.) the Court said:

"The decree in the Toledo Case awarded a perpetual injunction, but with an order of reference to a master to ascertain the damages by reason of infringement, and for that purpose the suit, it is conceded, is still pending. It is therefore only an interlocutory decree, and not available as an estoppel in respect to any issue in these suits. *Barnard v. Gibson*, 7 How. 650; *Hamiston v. Stainthorpe*, 2 Wall. 106; *McGourkey v. Railway Co.*, 146 U. S. 545, 13 Sup. Ct. 172; *David Bradley Manufg Co. v. Eagle Manufg Co.*, 6 C. C. A. 661, 57 Fed. 980, and 18 U. S. App. 349; *Jones Co. v. Munger Improved Cotton Mach. Manufg Co.*, 1 C. C. A. 668, 50 Fed. 785, and 2 U. S. App. 188; *Richmond v. Atwood*, 2 C. C. A. 596, 52 Fed. 10, and 5 U. S. App. 151; *Marden v. Campbell Printing-Press & Manufg Co.*, 15 C. C. A. 26, 67 Fed. 809, and 33 U. S. App. 123; *Bissell Carpet-Sweeper Co. v. Goshen Sweeper Co.*, 19 C. C. A. 25, 72 Fed. 545."

SECOND: It having been clearly established by this Court in the cases cited above that the Wisconsin decree is interlocutory, it follows inevitably that the Seventh Circuit Court of Appeals should have held that the issues in the case were *res adjudicata* under the final decree in the Pennsylvania case, and it should have dismissed the bill as to patent 635,280, in accordance with the procedure laid down by this Court in the recent case of

*Hart Steel Co. v. Railroad Supply Co.*, 244 U. S. 294, 299, in which this Court said:

"This doctrine of *res judicata* is not a mere matter of practice or procedure inherited from a more technical time than ours. It is a rule of fundamental and substantial justice, 'of public policy and of private peace', which should be cordially regarded and enforced by the courts to the end that rights once established by the final judgment of a court of competent jurisdiction shall be recognized by those who are bound by it in every way, wherever the judgment is entitled to respect. *Kessler v. Eldred*, *supra*."

THIRD: The Seventh Circuit Court of Appeals has not given the decree of the Pennsylvania Court full faith and credit as is required by Article IV of the Constitution of the United States and Section 905 Revised Statutes.

In *Bigelow v. Old Dominion Copper Co.*, 225 U. S. 111, 133, after referring to the language of the Constitution and to the Act of Congress giving effect thereto, and to the fact that the decisions of the United States Courts are for the purposes of the Act considered as those of courts of the States, this Court said:

"The effect of this clause is to put the judgment of a court of one State, when sued upon, or pleaded in estoppel, in the courts of another State, upon the plane of a domestic judgment in respect of conclusiveness as to the facts adjudged."

FOURTH: If the instant decision that a decree such as the Milwaukee decree is final is permitted to stand, it raises a question of vital interest to the industries of the country. The rule which has heretofore obtained has permitted a manufacturer to participate in the defense of a suit brought against a purchaser of devices of his manufacture without concluding him from raising the issues of validity and infringement in a subsequent suit, unless a final decree has been entered in the original suit and he has been shown to be privy to it. *Whittemore v. World Polish Mfg. Co.*, 159 Fed. 480. *Australian Knitting Co. v. Gormly*, 138 Fed. 92.

Under the instant decision, when an interlocutory decree for an injunction and an account has been entered in a suit against

## 6 MEMO. FOR GENERAL ELECTRIC COMPANY.

a purchaser, a manufacturer who has participated in the defense, possibly under adverse conditions and perhaps in a District remote from his domicile, is, upon a showing of privity, bound by the decree and never has his day in Court in his own case because the issues are *res judicata*. Under such an application of the rule the Pennsylvania Court would have bound under the Wisconsin decree to have held the patent valid and to have entered a decree thereon. But the plaintiffs, presumably because the Wisconsin decree was interlocutory, did not raise the question in that suit. If such an adjudication is to be held an absolute bar to the manufacturer, he would practically lose his day in Court or must leave his vendees helpless and unsupported to carry on a losing battle with a patentee on ground chosen by the latter. Every such suit would place a manufacturer upon the horns of such a dilemma.

It is respectfully submitted that the writ of *certiorari* should be granted on the following grounds:

1. Because the Seventh Circuit Court of Appeals has held that an interlocutory decree is a final decree, rendering nugatory the law as established by this Court.
2. Because the Seventh Circuit Court of Appeals has refused to hold the issues of the case *res judicata* under the decree of the Pennsylvania Court.
3. Because the Seventh Circuit Court of Appeals has failed to give full faith and credit to the decree of the Pennsylvania Court.
4. Because the question as to what constitutes a final decree is of the most serious importance to industry and to the public at large, involving as it does practically all patent suits brought against users or purchasers of machinery or commodities.

CHARLES NEAVE,  
CLARENCE D. KEER,  
Solicitors for General Electric Company.

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IN THE  
Supreme Court of the United States,  
OCTOBER TERM, A. D. 1920.

No. 111.

NATIONAL BRAKE & ELECTRIC COMPANY,  
*Petitioner,*

vs.

NIELS A. CHRISTENSEN AND ALLIS-CHALMERS COMPANY,  
*Respondents.*

MEMORANDUM FOR GENERAL ELECTRIC COMPANY, AS AMICUS CURIE,  
IN SUPPORT OF PETITIONER'S POSITION.

CHARLES NEAVE,  
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*Solicitors for GENERAL ELECTRIC  
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IN THE  
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COMPANY,  
Respondents.

**MEMORANDUM FOR GENERAL ELECTRIC  
COMPANY, AS AMICUS CURIAE. IN SUP-  
PORT OF PETITIONER'S POSITION.**

The General Electric Company requests leave to file this memorandum in support of the position of the Petitioner National Brake & Electric Company.

**BRIEF STATEMENT OF FACTS.**

There have been two cases pending between the same plaintiffs and the same defendant, or its privy, upon the same patents Nos. 621,324 and 635,280 of Christensen, and involving substantially the same issues, one,<sup>1</sup> the case here at bar, in the

<sup>1</sup> Nils A. Christensen *et al.* v. National Brake & Electric Co.

Eastern District of Wisconsin, and the other<sup>2</sup> in the Western District of Pennsylvania.

In the Wisconsin case the second patent has been adjudged valid and infringed (Record, p. 41) and an interlocutory decree (Record, pp. 39-40) providing for an injunction and an accounting has been entered.

In the Pennsylvania case the second patent has been declared invalid (Record, pp. 112-114) and a final decree has been entered (Record, p. 115) dismissing the bill as to that patent.

The result is that the second patent, No. 635,280, is valid under the decision of the Circuit Court of Appeals of the Seventh Circuit, and is void under the decision of the Circuit Court of Appeals of the Third Circuit, the said decisions being rendered in cases between the same parties or their privies.

The General Electric Company is particularly interested in the subject matter of this suit, for it has been sued by the respondents herein upon these two patents in two Circuits, the Second and the Seventh (Record, pp. 101-102).<sup>3</sup> The suit in the Second Circuit has been dismissed, but the suit in the Seventh Circuit is still undetermined, although it has been pending since March, 1916. It is therefore of great importance to the General Electric Company to have this Court determine whether or not patent 635,280 is void as issued without warrant of law, as was found by the Court of Appeals for the Third Circuit.

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<sup>2</sup> Niels A. Christensen *et al.* v. Westinghouse Traction Brake Co.

<sup>3</sup> 248 Fed. 284.

## ARGUMENT.

### **I. The Decree in the Wisconsin Case was Interlocutory and Not Final.**

To avoid the application of the doctrine of *res judicata* the Court of Appeals for the Seventh Circuit in a decision filed in April, 1919 (Record, pp. 256-9), *asserts* that the interlocutory decree (Record, p. 40) entered by the District Court in the Wisconsin case providing for an injunction and an account, is a final decree (except as to the account), and that as such decree was entered prior to the entry of the final decree in the Pennsylvania case, the Wisconsin decree is controlling.

Such a finding disregards the established law that the decree of a District Court sustaining a patent, declaring infringement, and sending the matter to a master to take and state an account of profits and damages, is interlocutory, and not final. This Court in *McGourkey v. Toledo & Ohio Railway*, 146 U. S. 536, 545, said:

"It is equally well settled that a decree \* \* \* in equity establishing the validity of a patent, and referring the case to a master to compute and report the damages, is interlocutory merely. *Barnard v. Gibson*, 7 How. 650; *Humiston v. Stainthorp*, 2 Wall. 106.

"It may be said in general that if the court make a decree fixing the rights and liabilities of the parties, and thereupon refer the case to a master for a ministerial purpose only, and no further proceedings in court are contemplated, the decree is final; but if it refer the case to him as a subordinate court and for a judicial purpose, as to state an account between the parties, upon which a further decree is to be entered, the decree is not final. *Craighead v. Wilson*, 18 How. 199; *Beebe v. Russell*, 19 How. 283."

In *Smith v. Vulcan Iron Works*, 165 U. S. 518, 524, it is said:

"But under the judicial system of the United States, from the beginning until the passage of the act of 1891



establishing Circuit Courts of Appeals, appeals from the Circuit Courts of the United States in equity or in admiralty, like writs of error at common law, would lie only after final judgment or decree; and an order or decree in a patent cause, whether upon preliminary application or upon final hearing, granting an injunction and referring the cause to a master for an account of profits and damages, was interlocutory only, and not final, and therefore not reviewable on appeal before the final decree in the cause."

This Court also in *Ex parte National Enameling Co.*, 201 U. S. 156, 161, 162, clearly laid down the principle that a decree providing for an injunction and an account like that in the present case was an interlocutory decree and was appealable only for exceptional purposes mentioned under section 7 of the then Court of Appeals Act, stating:

"It will be noticed that the appeal is allowed from an interlocutory order or decree granting or continuing an injunction, that it must be taken within thirty days, that it is given precedence in the appellate court, that the other proceedings in the lower court are not to be stayed, and that the lower court may require an additional bond. Obviously that which is contemplated is a review of the interlocutory order, and of that only. It was not intended that the cause as a whole should be transferred to the appellate court prior to the final decree."

The Seventh Circuit Court of Appeals in its opinion relied on the case of *Forgay v. Conrad* as a justification of its position that a decree providing for an injunction and an account was final as to the equities involved, but this Court in the *National Enameling* case, *supra*, has distinguished the finding of that case as follows (pp. 164, 165) :

"In the subsequent case of *Beebe v. Russell*, 19 How. 283, in which the rule in reference to the finality of decrees was further considered, it was said, in explanation of the decision in the *Forgay* case (p. 287) :

"In *Forgay's* case, it (the question) was made upon the decree given by the court below, and it was adjudged

by this court to be final to give this court jurisdiction of it. But it was so, upon the ground that the whole merits of the controversy between the parties had been determined, *that execution had been awarded*, and that the case had been referred to the master merely for the purpose of adjusting the accounts. The fact is, *the order of the court in that case for referring it to a master was peculiar*, making it doubtful, if it could in any way control or qualify the antecedent decree of the court upon the whole merits of the controversy, or modify it in any way, *except upon a petition for a rehearing.*"

Certainly it cannot be urged that any question as to the scope of the second patent has been finally decided in the present case when the Master has before him fourteen different types of compressors made by defendant, which the plaintiff contends infringe such patent (Record, p. 92). Assuming that the second patent is valid, it is almost inevitable, when the Court has finally passed upon these fourteen devices, that the scope given the second patent by the decision of the Seventh Circuit Court of Appeals will be found to have been either expanded or contracted.

Further, the Seventh Circuit Court of Appeals in holding the interlocutory decree was in substance a final decree, not only deliberately ignored the law as laid down by this Court, but also failed to follow its own prior decisions in *David Bradley Manufacturing Co. v. Eagle Manufacturing Co.*, 58 Fed. 721, 722 (7th C. C. A.) in which the Court said:

"The issue here was novelty of invention. The prior interlocutory decree was pleaded either as a bar or as matter more or less conclusive upon the question of novelty, or perhaps in invocation of the doctrine of comity. It is immaterial which. If as a bar, *the pleading was defective upon the technical ground that the interlocutory decree had not ripened into a final decree, because the damages had not then been assessed.* The validity of the patent had been determined, subject only to the power of the court to change its judgment before final decree. No objection was made to the sufficiency

of the pleading when the final decree was stipulated in evidence. We are well satisfied that thereby the appellant waived the defective nature of the pleading, if the pleading is to be treated as a plea of *res adjudicata*." (Emphasis ours.)

And also in *Brush Electric Co. v. Western Electric Co.*, 76 Fed. 761, 764 (7th C. C. A.), the Court said:

"The decree in the Toledo Case awarded a perpetual injunction, but with an order of reference to a master to ascertain the damages by reason of infringement, and for that purpose the suit, it is conceded, is still pending. It is therefore only an interlocutory decree, and not available as an estoppel in respect to any issue in these suits. *Barnard v. Gibson*, 7 How. 650; *Humiston v. Stainthorp*, 2 Wall. 106; *McGourkey v. Railway Co.*, 146 U. S. 545, 13 Sup. Ct. 172; *David Bradley Manufg Co. v. Eagle Manufg Co.*, 6 C. C. A. 661, 57 Fed. 980, and 18 U. S. App. 349; *Jones Co. v. Munger Improved Cotton Mach. Manufg Co.*, 1 C. C. A. 668, 50 Fed. 785, and 2 U. S. App. 188; *Richmond v. Atwood*, 2 C. C. A. 596, 52 Fed. 10, and 5 U. S. App. 151; *Marden v. Campbell Printing-Press & Manufg Co.*, 15 C. C. A. 26, 67 Fed. 809, and 33 U. S. App. 123; *Bissell Carpet-Sweeper Co. v. Goshen Sweeper Co.*, 19 C. C. A. 25, 72 Fed. 545."

## II. The Issues herein are *Res Judicata* under the decree in the Pennsylvania Case.

It having been clearly established by this Court in the cases cited above that the Wisconsin decree is interlocutory, it follows inevitably that the Seventh Circuit Court of Appeals should have held that the issues in the case were *res judicata* under the final decree in the Pennsylvania case, and it should have dismissed the bill as to patent 635,280, in accordance with the procedure laid down by this Court in the recent case of *Hart Steel Co. v. Railroad Supply Co.*, 244 U. S. 294, 299, in which this Court said:

"This doctrine of *res judicata* is not a mere matter of practice or procedure inherited from a more technical

time than ours. It is a rule of fundamental and substantial justice, 'of public policy and of private peace', which should be cordially regarded and enforced by the courts to the end that rights once established by the final judgment of a court of competent jurisdiction shall be recognized by those who are bound by it in every way, wherever the judgment is entitled to respect. *Kessler v. Eldred, supra.*"

### **III. *Res Judicata* and the Law of the Case.**

The Seventh Circuit Court of Appeals has confused the rule known as the "law of the case" with the doctrine of "*res judicata*". The former is merely the rule that questions once decided on a particular set of facts, in any particular case, by any particular court, will not be reopened or redecided unless other facts or reasons, subsequently appearing, require a new ruling thereon. The doctrine of *res judicata*, however, provides that when a definite and final decision has been reached in one case the courts will not arrive at a different conclusion in another case between the same parties or their privies, but will accept and enforce that decision. The first is a rule of convenience; the second a matter of substantive law.

### **IV. The Seventh Circuit Court of Appeals has failed to give full faith and credit to the decree of the Pennsylvania Court.**

The Seventh Circuit Court of Appeals has not given the decree of the Pennsylvania Court full faith and credit as is required by Article IV of the Constitution of the United States and Section 905, Revised Statutes.

In *Bigelow v. Old Dominion Copper Co.*, 225 U. S. 111, 133, after referring to the language of the Constitution and to the Act of Congress giving effect thereto, and to the fact that the decisions of the United States Courts are for the purposes of

the Act considered as those of courts of the States, this Court said:

"The effect of this clause is to put the judgment of court of one State, when sued upon, or pleaded in estoppel, in the courts of another State, upon the plane of a domestic judgment in respect of conclusiveness as to the facts adjudged."

### **V. Respondents' Laches.**

The course of the respondent Christensen since the very issuance of the first patent has been prejudicial to the application of equitable remedies on his behalf.

1. Patent 621,324 issued on March 21, 1899. After keeping it six months, Christensen sent it back to the Patent Office calling attention to the fact that it contained a fugitive sheet of drawings and demanding another patent. In compliance with his request the Commissioner broke the seal, marking the Patent and Record cancelled, and issued a new patent 635,288 on October 17, 1899 (Record, p. 88). He received what he asked for and he now seeks to avoid the force of his own act by complaining of the "mistake" of the Patent Office.

2. This suit was brought against petitioner on December 15, 1906. The answer was filed on March 1, 1907 (Record, p. 26). The Record is silent as to what happened during the intervening years, but the case was heard before the late Judge Quarles who died before deciding it (Respondents' brief, p. 2). The date of Judge Quarles' death was October 7, 1911 (190 Fed., p. VII), but respondents did not amend their bill until November 12, 1913 (Record, p. 30), when the first patent No. 621,324 was first injected into the case. When justice requires the speedy disposition of a case what excuse can respondents possibly have when they took from 1906 to 1911 to bring the case up for hearing before Judge Quarles and then, after his death, allowed to stand from October 7, 1911, to November 12, 1913, before making any move and then amended their complaint to bring

in the first patent in suit seven years after the case had been filed?

Nor has the respondents' conduct in the Pittsburgh suit been such as to influence favorably a court of equity. On December 12, 1906, the defendant Westinghouse Traction Brake Company was notified regarding the second patent, but suit was not brought until March 11, 1916 (Record, p. 125).

The General Electric Company received a similar notice of infringement, and suit against it was brought in Chicago on March 13, 1916. Respondents have done nothing in that case since it was filed.

Respondents attempted to discontinue the Pittsburgh case after it became apparent that the decision in that case might jeopardize success in the present case. But when the matter came before the Third Circuit Court of Appeals and the controversy narrowed to a determination of whether or not the second patent 635,280 was issued without warrant of law, the respondents (Record, p. 199)

"agreed at bar that the merits of the controversy should be heard in reference to the first two patents, and accordingly argument was had thereon. Informally, therefore, but with complete effect, the case is before us as if a *certiorari* had been actually issued and the record returned in obedience thereto. This agreement relieves us from considering any preliminary question concerning procedure, and we turn at once to the dispute concerning the respective validity of the first two patents."

So here the respondents voluntarily submitted themselves to the jurisdiction of the Third Circuit Court of Appeals to permit that Court to decide the question of the validity of the second patent, and having thus submitted their case they cannot now evade the effect of their acts.

**Conclusion.**

It is respectfully submitted that the Seventh Circuit Court of Appeals should be directed to order the dismissal of the bill of complaint on the following grounds:

1. That the second patent is void as issued without warrant of law.
2. That the holding of the second patent invalid by the Pennsylvania Court is controlling as *res judicata* between petitioner and respondent.
3. That the first patent has no existence in law, the patent having been cancelled and destroyed by respondent's own act.
4. That the continuance of this litigation during the past fourteen years has been due to respondent's laches.

CHARLES NEAVE,  
CLARENCE D. KERR,  
Of Counsel for General Electric Company

November 30, 1920.

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JAMES D. MAHER,  
CLERK.

IN SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, A. D. 1919.

No. 382.

NATIONAL BRAKE & ELECTRIC COM-  
PANY,

*Petitioner,*

vs.

NIELS A. CHRISTENSEN and ALLIS-  
CHALMERS COMPANY,

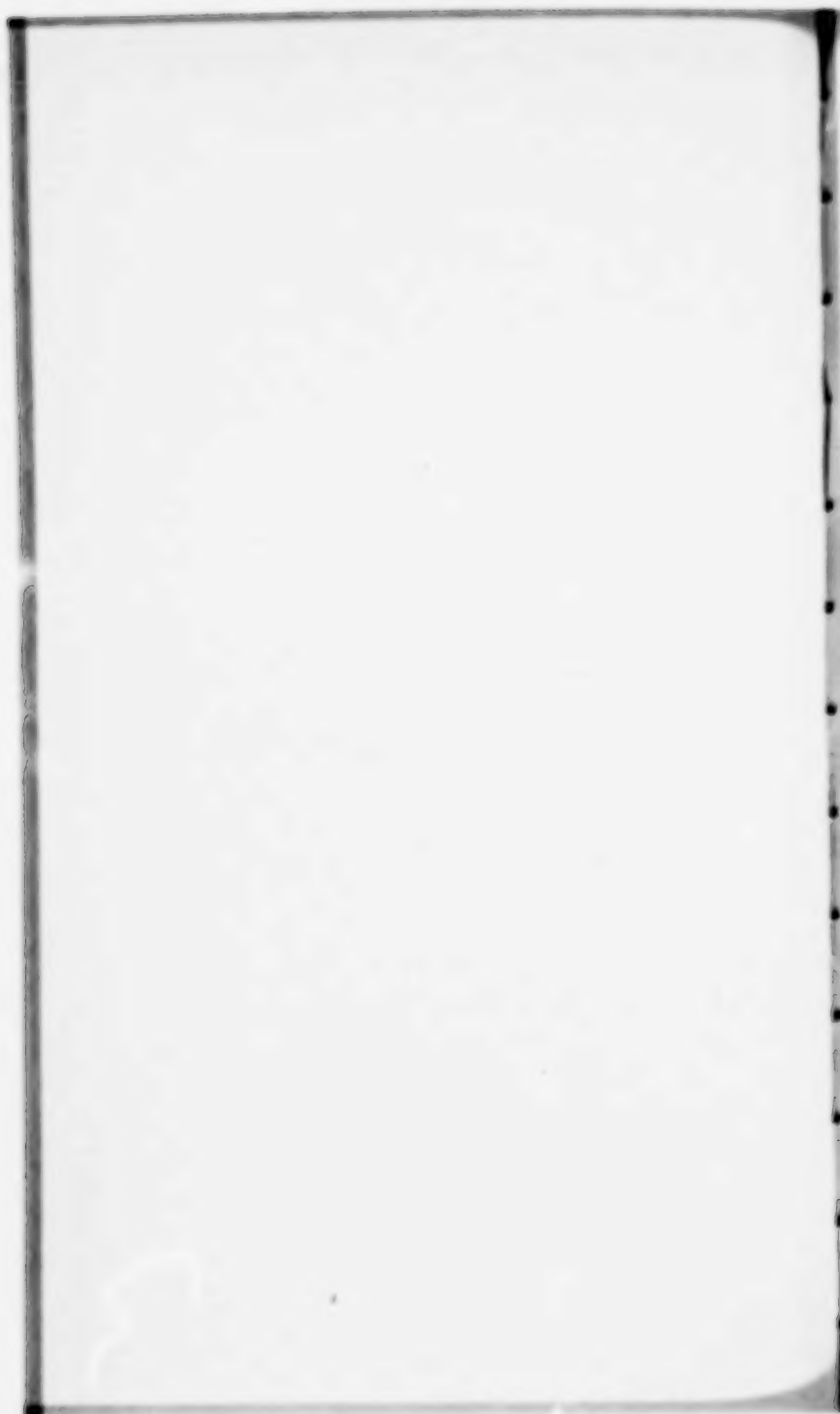
*Respondents.*

Certiorari to the  
United States  
Circuit Court of  
Appeals for the  
Seventh Circuit.

MOTION TO DISMISS WRIT OF CERTIORARI AND BRIEF  
IN SUPPORT THEREOF.

JOSEPH B. COTTON,  
WILLET M. SPOONER,  
WILLIAM R. RUMMLER,  
LOUIS QUARLES,

*Solicitors and of Counsel for Respondents.*



# IN SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, A. D. 1919.

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NATIONAL BRAKE & ELECTRIC COM-  
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*Petitioner,*

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CHALMERS COMPANY,

*Respondents.*

Certiorari to the  
United States  
Circuit Court of  
Appeals for the  
Seventh Circuit.

## MOTION TO DISMISS WRIT OF CERTIORARI ISSUED TO THE CIRCUIT COURT OF AP- PEALS FOR THE SEVENTH CIRCUIT.

Now come the respondents Niels A. Christensen and Allis-Chalmers Company, by their solicitors of record herein, and move this Honorable Court:

First, to dismiss the writ of certiorari now pending herein on the ground that the court has not jurisdiction thereof, the sole appropriate appellate remedy being by appeal.

Second, to dismiss the aforesaid writ of certiorari upon the ground that it was improvidently granted because an appeal to this court would lie at the instance of petitioner as a matter of right.

JOSEPH B. COTTON,

WILEY M. SUGGER,

WILLIAM B. RUMMLER,

LOUIS QUARLES,

*Solicitors of Record for Respondents herein.*

## NOTICE OF MOTION.

The petitioner hereby notified that the respondents will on the 17th day of November, A. D. 1919, on the convening of the Supreme Court of the United States on that day, or as soon thereafter as a hearing may be had, submit for the consideration of the said court the foregoing motions and each of them and the brief in support thereof hereto attached, all of which are now served upon you herewith.

JOSEPH B. COTTON,  
WILLET M. SPOONER,  
WILLIAM R. RUMMLER,  
LOUIS QUARLES,

*Solicitors of Record for Respondents herein.*

Copy of the foregoing motion and notice, together with the annexed brief and argument in support thereof, received this . . . . . day of October, 1919.

.....  
.....  
*Solicitors of Record for Petitioner.*

## BRIEF IN SUPPORT OF MOTION.

## STATEMENT OF FACTS.

Petitioner asks this court to take jurisdiction of and review the decision of the United States Circuit Court of Appeals for the Seventh Circuit refusing to grant the relief prayed by it as petitioner in that court in an original proceeding commenced therein by original petition filed August 19, 1918.

Respondents herein, as plaintiffs filed a bill of complaint in the District Court for the Eastern District of Wisconsin (known as Equity No. 474) alleging infringement by petitioner herein as defendant of a grant of a patent monopoly right evidenced indifferently by two patents numbered 621,324 and 635,280 respectively and referred to as the first and second patent respectively. It appeared that the first patent when issued to respondent Christensen was inaccurate, in that it contained a fugitive sheet of drawing. He thereupon returned it to the patent office with the request that a correction thereof be made, and that was done by the office marking the patent cancelled and issuing to him a second patent identical in every respect with the first patent excepting only the omission of the fugitive sheet and the date and term thereof. Trial was had with the result that on August 21, 1914, a decree finding validity and infringement was entered in said District Court. An appeal was taken to the Circuit Court of Appeals for the Seventh Circuit, with the result that on October 5, 1915, the aforesaid decree was affirmed (229, Fed., 561). Rehearing was denied and a writ of certiorari denied by this court (241 U. S., 659).

The accounting proceedings under this decree were commenced on March 1, 1916, and continually and vigorously prosecuted, with the result that the master's final report was rendered March 26, 1919, complete except for certain clerical computation which the master directed to be done.

After the affirmance of the decree finding validity and infringement and on March 11, 1916, respondents commenced another action involving the same patents, against the Westinghouse Traction Brake Company in the District Court for the Western District of Pennsylvania. This suit was dismissed without prejudice on February 24, 1917. The Circuit Court of Appeals for the Third

Circuit, however, on petition for certiorari or mandamus decided that the defendant was entitled to judgment on the bill and answer as to which of two patents was valid.

Because of the circumstance that the defendant Westinghouse Traction Brake Company was only charged with notice of the second of these two patents and that they both had expired, leaving only the question of accounting, the court was interested in the relative validity of the two, and held that the second patent was void as evidence of the grant, but that the first was valid, and on July 3, 1917, directed a dismissal of the bill as to the first and a continuance of it as to the second.

In the action previously referred to in the Wisconsin District Court, that court and the Court of Appeals for the Seventh Circuit held that the question of which of the two patents evidenced the grant was as to the defendant therein (petitioner herein) "academic" inasmuch as they had neither of them expired and the petitioner had knowledge and notice of both. Therefore either of them would support the bill and the relief prayed for therein.

On this state of facts and about three years after the affirmance of the decree finding validity and infringement of the patent, petitioner filed its original petition in the Circuit Court of Appeals for the Seventh Circuit, review of which is sought herein, claiming its right to a termination of the pending accounting litigation on the merits because of *res adjudicata*, alleging that the Court of Appeals of the Seventh Circuit had held that the first patent was not the evidence of the grant and had granted the accounting under the second patent; that the Court of Appeals in the Third Circuit had held that the second patent was not the evidence of the grant, that the defendant in the Third Circuit, Westinghouse Traction Brake Company, was in privity with the defendant in the Seventh Circuit (which was denied, and which issue has never been determined), and that therefore it was entitled to a writ from the Court of Appeals of the Seventh Circuit commanding the District Court to forthwith terminate the litigation in their favor on the merits because of the aforesaid judgments.

This original petition was aptly described by the Court of Appeals in its opinion, in the following language:

"And now petitioner comes before us in an original proceeding, asking that we recall our mandate, vacate our decree, find that the Pennsylvania decree is

*res adjudicata* in this case, and thereupon direct the vacation of the Wisconsin decree and the dismissal of the bill on the merits." (Rec. p. 257).

The petition was denied by the Court of Appeals on the ground that its prior decision of October 5, 1915, awarding the perpetual injunction and an accounting was final in essence, that it did not have only a temporary purpose and force but that it fixed the rights of the parties.

### OUTLINE OF ARGUMENT.

1. *The petition to the Court of Appeals, a denial of which is sought to be here reviewed by certiorari, was an original proceeding in that court.*

2. *The controversy tendered by said petition was purely a question of general law, i. e., of res adjudicata, and was therefore not "a case arising under the patent laws."*

3. *The decree of the Circuit Court of Appeals denying this petition was not made final by The Judicial Code because it was not a "case arising under the patent laws."*

4. *The only proper method of reviewing the decision of the Court of Appeals denying this petition is by appeal to this court as of right, not certiorari.*

5. *Petitioner has therefore mistaken his remedy and the certiorari should be denied for want of jurisdiction.*

6. *For the same reasons the certiorari should be dismissed as improvidently granted.*

### ARGUMENT.

1. *The petition to the Court of Appeals, a denial of which is sought to be here reviewed by certiorari, was an original proceeding in that court.*

The judicial machinery of the Circuit Court of Appeals was initially set in motion by an original petition filed almost three years after the affirmance of the decree of the District Court finding infringement (Rec. p. 1). It was based upon the claim of *res adjudicata* because of subsequent supervening judgments in another action in a different circuit. Pursuant to a rule to show cause (Rec. p. 6) an answer was filed (Rec. p. 7) and the issues tendered therein were covered by a stipulated record made up of excerpts from pleadings, decrees, testimony, etc., in the case pending in the Wisconsin District Court

and in the cases in the Pennsylvania District Court and the Court of Appeals for the Third Circuit. (Stipulation Rec. p. 13.) This method of making up the record thereon is referred to by the Court of Appeals in its opinion (Rec. p. 257).

The petition referred to was addressed to the Court of Appeals and calls on its supervisory power over the District Court. Whatever the petitioner may have neglected to call it, and it was careful not to name it too closely, it was really and in essence a petition for writ of prohibition. It is described by the Court of Appeals in its opinion in the following language:

"And now petitioner comes before us *in an original proceeding*, asking that we recall our mandate, vacate our decree, find that the Pennsylvania decree is *res adjudicata* in this case, and thereupon direct the vacation of the Wisconsin decree and the dismissal of the bill on the merits." (Italics ours.) (Rec. p. 257.)

In the verified petition for writ of certiorari to this court the petitioner therein aptly describes the petition as "this original proceeding entitled as above, National Brake & Electric Company, Petitioner, v. Niels A. Christensen and Allis-Chalmers Company, Respondents: An application for an order directing the dismissal of the bill brought in the United States District Court for the Eastern District of Wisconsin." (Petition p. 10.)

The record made up on the petition and answer shows that a motion had previously been made before the District Judge to dismiss the said suit and that he had denied the same (Rec. pp. 242 and 252). It was conceded that this decision was not appealable and no appeal was in fact taken therefrom; nay, the petitioner went further and claimed in its petition that the District Judge was without authority to entertain this motion that it itself had previously made in his court. (Paragraph 9 of petition, Rec. p. 4).

The question was brought out in sharp relief by the petitioner's making a motion in the District Court in Wisconsin to stay the accounting proceedings because of the issuance of this writ of certiorari. The basis for this claim was that the writ was *ipso facto* a stay. Respondents argued that that rule was not applicable because the certiorari was issued to review the original independent proceeding in the Court of Appeals and not the account



ing proceeding, and that therefore the writ and the stay did not reach said proceeding. The District Judge made a masterly analysis of the situation, saying in his opinion:

"It may be conceded as quite elementary that ordinarily the issuance of a writ of certiorari carries with it a supersedeas. But I cannot escape the conviction that the judgment which is the subject of the present proceedings in this court, is not at all affected, either by the petition filed in the Circuit Court of Appeals, nor by the certiorari issued by the Supreme Court. Such petition, filed three years after the Circuit Court of Appeals had exhausted its appellate jurisdiction,—and the latter was the only jurisdiction ever invoked,—is clearly of the nature of an original proceeding, and, in my judgment, particularly in view of the refusal of the Court of Appeals to grant the relief prayed for, reaches neither the judgment nor this court.

\* \* \* \* \*

It has seemed to me that whatever the character of the petition filed in the Court of Appeals, the situation in this court so far as affected by that petition and its attempted review by the Supreme Court, is no different than if the declared purpose had been to obtain leave of the Court of Appeals to file a supplemental bill in the nature of a bill of review in this court,—based upon the proceedings in the Third Circuit. If in such situation the Appellate Court refused leave, it could hardly be said that a certiorari to its ruling reached the judgment which, under the original mandate then rested in the District Court for exclusive enforcement."

The petition itself and the issues therein tendered are analyzed under Point 2 *infra*, to which portion of the brief we respectfully refer.

The action was not in aid of its appellate jurisdiction, nor in the nature of petition for rehearing or anything of that sort, for it must be conceded that the power of that court over its mandate expired with the expiration of the term at which it was rendered.

*Waskey et al v. Hammer et al*, 179 Fed., 273  
(C. C. A., 9th Cir.)

*Westinghouse T. B. Co. v. Orr*, 252 Fed., 592  
(C. C. A., 3rd Cir.)

Neither did the petition have any of the earmarks of an ancillary proceeding. Tests of what proceedings are ancillary are these: (a) Those that are in *aid* of appellate jurisdiction, not contrary thereto; (b) Those that call for further relief from an appellate court *based upon the record in the suit below*; and (c) Those that are made in the court while a proceeding is pending therein and based on the record thereof. In cases where, as here, the relief prayed for is based, not upon the proceedings in the record of the action pending in the District Court, but upon facts *dehors* that suit, such as judgments obtained elsewhere and at a later date and the proceeding itself in which the relief is sought is not pending before the tribunal from which relief is asked, the proceeding cannot be ancillary. All the recognized tests fail.

The distinction has been affirmed in

*Barrow v. Hunton*, 99 U. S., 80 (9 Otto)

the court saying:

"The distinction between the two classes of cases may be somewhat nice, but it may be affirmed to exist. In the one class there would be a mere *revision of errors and irregularities, or of the legality and correctness of the judgments and decrees of the State courts*; and in the other class, the investigation of a *new case arising upon new facts*, although having relation to the validity of an actual judgment or decree, or of the party's right to claim any benefit by reason thereof." (Italics ours.)

To the same effect was the decision in

*Marshall v. Holmes, Sheriff*, 141 U. S., 589:

"These principles control the present case, which, although involving rights arising under judicial proceedings in another jurisdiction, is an *original, independent suit for equitable relief* between the parties; such relief being grounded upon a *new state of facts*, disclosing not only imposition upon a court of justice in procuring from it authority to sell an infant's lands when there was no necessity therefor, but actual fraud in the exercise, from time to time of the authority so obtained. As the case is within the equity jurisdiction of the Circuit Court, as defined by the Constitution and laws of the United States, that court may, by its decree, lay hold of the parties, and compel them to do what according to the principles of equity they ought to do, thereby securing and establishing

the rights of which the plaintiff is alleged to have been deprived by fraud and collusion.'

"These authorities would seem to place beyond question the jurisdiction of the Circuit Court to take cognizance of the present suit, which is none the less an original, independent suit, because it relates to judgments obtained in the court of another jurisdiction."

The jurisdiction in that case was based on diversity of citizenship but would not attach if the action were ancillary to the proceeding reviewed which was in the probate court.

It was held where a suit was begun which did not seek to disturb a judgment on the ground it was rendered through fraud or to have anything done towards carrying it out, that it was independent and not ancillary.

*Stillman v. Combe*, 197 U. S., 436.

We submit that it is clear that the proceeding pending in the Court of Appeals for the Seventh Circuit to review which judgment the certiorari was granted, is an original proceeding involving only questions of general law and is separate and distinct from the accounting in the District Court.

2. *The controversy tendered by said petition was purely a question of general law, i. e., of res adjudicata, and was therefore not "a case arising under the patent laws."*

The jurisdictional provision in The Judicial Code which is under construction here is Section 128 thereof, which provides:

"The circuit courts of appeal shall exercise appellate jurisdiction to review by appeal or writ of error final decisions in the district courts \* \* \* and \* \* \* the judgments and decrees of the circuit courts of appeal shall be final \* \* \* in all cases arising under the patent laws \* \* \*."

It is settled law that the question as to whether a case is one arising under the patent laws is to be tested by the frame of the bill, declaration, petition, or other initial pleading on the part of the *reus* or actor.

*Odell v. F. C. Farnsworth Co.*, — U. S., —.

(June 9, 1919.) 38 Sup. Ct. Rep., 516.

This court has stated the matter thus: That the party bringing the proceeding is

"master to decide what law he will rely upon and

the allegations of his bill are the evidence, or the expression, of his decision, upon which the courts must act in determining the question of their jurisdiction."

It is a familiar rule that

"all actions in which patent *questions* arise are not patent *cases* nor cases arising under the patent laws."

The distinction is clearly made and the question set at rest in

*Pratt v. Paris Gas Light Co.*, 168 U. S., 253, 259.

That was an action in assumpsit for the value of certain patented machines sold. The defense was that the plaintiffs had agreed to defend any action that might be brought against the defendant as vendee by reason of letters patent, and because of their refusal to do so the defendant had been enjoined from the use of the machine and therefore it was valueless, and that the patent was void, and the consideration wholly failed. The question of jurisdiction was involved as to whether this action was tryable in the state or federal courts. It was held not to be a *case* arising under the patent laws even though patent *questions* were involved, and therefore was not tryable in the federal courts where jurisdiction was to be predicated upon this ground alone. The court said:

"The action under consideration is not one arising under the patent right laws of the United States in any proper sense of the term. To constitute such a cause the plaintiff must set up some right, title or interest under the patent laws, or at least make it appear that some right or privilege will be defeated by one construction, or sustained by the opposite construction of these laws. *Stacia v. New York*, 111 U. S., 248; *Germania Ins. Co. v. Wisconsin*, 119 U. S., 473.

"The state court had jurisdiction both of the parties and the subject-matter as set forth in the declaration, and it could not be ousted of such jurisdiction by the fact that, incidentally to one of these defenses, the defendant claimed the invalidity of a certain patent. To hold that it has no right to introduce evidence upon this subject is to do it a wrong and deny it a remedy. Section 711 does not deprive the state courts of the power to determine *questions* arising under the patent laws, but only of assuming jurisdiction of *'cases'* arising under those laws. There is a

clear distinction between a case and a question arising under the patent laws. The former arises when the plaintiff in his open pleading—be it a bill, complaint or declaration—sets up a right under the patent laws as ground for a recovery. Of such the state courts have no jurisdiction. The latter may appear in the plea or answer or in the testimony. The determination of such question is not beyond the competency of the state tribunals.”

The aforesaid Pratt case has been very recently approved as good law by this court in

*Odell v. F. C. Farnsworth Co., supra.* ★

Tested by these rules an analysis of the issues tendered by the petition to the Circuit Court of Appeals for the Seventh Circuit show that they were all questions of general law, i. e., questions of *res adjudicata*, and that no patent questions were involved. There was no question of infringement of the patent or of validity in view of the prior art, or construction of the patent laws,—merely the question of whether the petitioner had or had not a patent because of the proper construction to be placed upon certain decrees pleaded as former adjudications of his rights. The Court of Appeals in disposing of the motion said that the only question they were called upon to decide was to “find that the Pennsylvania decree in *res adjudicata* in this case, and thereupon direct the vacation of the Wisconsin decree and the dismissal of the bill on the merits” (Rec. p. 257).

The allegations in petitioner's own petition to this court for writ of certiorari clearly support this analysis of the situation. Petitioner states:

“that the said Circuit Court of Appeals in denying said application for motion based its decision solely on the position that for the purposes of determining the rights of the parties and of constituting the basis of a plea or claim of *res adjudicata* the decree \* \* \* was a final decree and not an interlocutory decree.” (Petition p. 6.)

Allegations to the same effect are found in the petition page 8 thereof:

“The Circuit Court of Appeals took jurisdiction of the application, considered the same as ‘an original proceeding,’ \* \* \* and decided the same as before set forth solely on the question of the final or interlocutory nature of the decree of the Wisconsin District Court.” (Petition p. 9.)

also: *H. C. Cook Co. v. Becker*, 218 U. S. 497  
B. 1 2 3 4 5 6 7 8 9 10

An analysis of the original petition itself shows the same thing. The petitioner asked the court for an order directing the District Court to dismiss the suit pending below, setting up the following grounds only: "This motion is based upon the ground that all of the issues in the case have been once and finally determined and adjudicated in said defendant's favor by the United States Circuit Court of Appeals for the third circuit and by the final decree of the district court for the western district of Pennsylvania in a suit between the said plaintiffs and the Westinghouse Traction Brake Company, with which company this said company was in privity." (Paragraph 2, Rec. p. 2.)

The prayer in the petition is similarly framed, reciting:

"This applicant and petitioner moves and prays \* \* \* that this Honorable Court take jurisdiction \* \* \* hereof and inquire into and determine the status of said case as herein outlined, and as to the force and effect of said final judgment and order of said suit in the District Court for the Western District of Pennsylvania, and find and adjudicate that the same was and is a valid and final adjudication against said patent, No. 635,280, and that the said patent last mentioned was and is invalid and void; (similar allegations that the first patent had been adjudged void in equity 171) \* \* \* and that the defendant is entitled thereon to a final decree in said suit in the District Court for the Eastern District of Wisconsin, dismissing said suit for want of equity. \* \* \* (Rec. pp. 3 and 6).

The prayer continues and asks that necessary writs of certiorari, etc., be issued to carry out the demands of the petitioner.

An analysis of the petition to the court of appeals therefore shows that in paragraph 2 hereof petitioner stated that its sole ground was that all the issues had been finally determined in petitioner's favor by the courts in the third circuit and in the prayer it prays that it be given the benefit of said adjudications, that the court of appeals issue such writs of certiorari or otherwise as will be necessary to inform themselves thereof, and then direct the district court to dismiss the entire proceedings on the merits of said prior adjudications.

We respectfully submit that the controversy in the Court of Appeals involved purely a question of general law and was not "a case arising under the patent laws."

3. *The decree of the Circuit Court of Appeals denying this petition was not made final by The Judicial Code because it was not a "case arising under the patent laws."*

Under the provisions of The Judicial Code, sec. 240, certiorari will lie to the Circuit Court of Appeals in cases in which the judgment of that court is made final by the provisions of the act. That section provides:

"Sec. 240. In any case, civil or criminal, in which the judgment or decree of the circuit court of appeals is made final by the provisions of this Title, it shall be competent for the Supreme Court to require, by certiorari or otherwise, upon the petition of any party thereto, any such case to be certified to the Supreme Court for its review and determination, with the same power and authority in the case as if it had been carried by appeal or writ of error to the Supreme Court."

The portion of the act defining in what cases the decree of the Circuit Court of Appeals is made final is Section 128, and the pertinent portions of that are:

"and, except as provided in sections two hundred and thirty-nine and two hundred and forty, the judgments and decrees of the circuit courts of appeals shall be final in all cases in which the jurisdiction is dependent entirely upon the opposite parties to the suit or controversy being aliens and citizens of the United States, or citizens of different states; also in all cases arising under the patent laws, under the copyright laws, under the revenue laws, and under the criminal laws, and in admiralty cases."

Section 239 provides for the certification of questions by the Court of Appeals to this court, and section 240 we have just quoted *supra*. It is apparent therefore, that the petition in question in this case is not within the call of the statute, sec. 128. Therefore the decision of the Court of Appeals is not made final because, as heretofore argued, it is not "a case arising under the patent laws."

4. *The only proper method of reviewing the decision of the Court of Appeals denying this petition was by appeal to this court as of right, not certiorari.*

There are three ways in which this court may take jurisdiction in an appellate capacity:

- (1) Appeal,
- (2) Writ of error,
- (3) Certiorari.

The first two of these will hereafter be considered as one as they lie as of right, whereas the second is merely discretionary.

The rule is that a certiorari will not lie to an inferior tribunal to review a decision which is reviewable by appeal or writ of error.

*Decker v. New York Trust Co.*, 229 U. S., 123, 133.

This rule is based on sections 128 and 240 of The Judicial Code, quoted *supra*, the first one defining in what cases the Court of Appeals' decision shall be final, and the second providing that in such cases this court may review the determination by certiorari.

The jurisdiction of the Supreme Court in this respect is entirely dependent upon the Judicial Code and the question of whether appeal or certiorari is the proper remedy depends upon whether or not the decision of the Court of Appeals is made final by the provisions of the Judicial Code.

If, as argued above, this is a case in which the decree of the Circuit Court of Appeals is not made final by the statute, then the appellate procedure is covered by section 241 of The Judicial Code (a companion section of section 240) and which reads as follows:

"Sec. 241. In any case in which the judgment or decree of the circuit court of appeals is not made final by the provisions of this Title, there shall be of right an appeal or writ of error to the Supreme Court of the United States where the matter in controversy shall exceed one thousand dollars, besides costs."

That certiorari and appeal are independent is clear, and in

*Farrell v. O'Brien*, 199 U. S., 89, 101,

an appeal was dismissed on motion because the case was not one founded on diversity of citizenship but jurisdiction was retained upon the petition for certiorari, which was co-pending with the appeal. In that case the record filed on the appeal was treated as a return for the writ but the jurisdictional distinction was maintained throughout.



Since the passage of the act of Sept. 6, 1916, (6 Comp. Stats. sec. 1228a) the jurisdiction of this court has been limited and defined and the two remedies brought in sharp contradistinction. Since that act in divers cases appeals

and writs of error have been dismissed because the proper remedy was certiorari and of course the converse of the ruling is equally applicable. Among the leading cases are:

*Dana v. Dana*, 39 Sup. Ct. Rep., 449; — U. S., —.

*Citizens Bank v. Opperman*, 39 Sup. Ct. Rep., 330; — U. S., —.

*Rust Land, etc. Co. v. Jackson*, 39 Sup. Ct. Rep., 424; — U. S., —.

It will not avail petitioner to claim that the distinction is immaterial, for the time within which to pray an appeal is now limited to three months from the rendition of the decree. (Act of Sept. 6, 1916, F. S. A. Supp. 1918, p. 422.) This statute is a limitation on the jurisdiction of the court.

*Dana v. Dana*, 39 Sup. Ct. Rep., 449; — U. S., —.

*Citizens Bank v. Opperman*, 39 Sup. Ct. Rep., 330; — U. S., —.

*Rust Land, etc. Co. v. Jackson*, 39 Sup. Ct. Rep., 424; — U. S., —.

The two remedies of appeal and certiorari are sharply distinguished not only by the nature but because one is granted as of right and the other is purely discretionary. This distinction is reinforced by the following portion of the recent Act of September 6, 1916 (F. S. A. 1918 Supp. p. 421) which is really a statute of jeofails.

"That no court having power to review a judgment or decree rendered or passed by another shall dismiss a writ of error solely because an appeal should have been taken, or dismiss an appeal solely because a writ of error should have been sued out, but when such mistake or error occurs it shall disregard the error and take the action which should be appropriate if the proper appellate procedure had been followed."

Note that it is merely the two writs of right that are interchangeable and neither of them are made interchangeable with the discretionary writ. *Expressio unius est exclusio alterius*.

Similar phraseology in sec. 240 of The Judicial Code giving this court power to review by certiorari or otherwise does not help out petitioner because that is by the terms of the section limited to decisions in which the decree of the Court of Appeals "is made final by the provisions of this Title," whereas this decree not being such its appellate jurisdiction is governed by section 241.

5. *Petitioner has therefore mistaken his remedy and the certiorari should be denied for want of jurisdiction.*

For the reasons stated *supra*, petitioner was afforded a clear right of appeal from the judgment of the Court of Appeals under section 241 of The Judicial Code and the power of this court to issue certiorari to Circuit Court of Appeal is limited by section 240 of The Judicial Code to cases in which a decree of that court is made final by the provisions of the act. This case not being one of these, the writ will not lie, and it should therefore be dismissed for want of jurisdiction.

*Denver vs. New York Trust Co.*, 229 U. S. 123, 133.

6. *For the same reasons the certiorari should be dismissed as improvidently granted.*

It is within the undoubted power of this court to dismiss a writ of certiorari if and when it appears that the same has been improvidently granted.

*Furness vs. Yang-Tszc Ins. Assn.*, 242 U. S. 430, and where it appears that petitioner has elected the wrong remedy the writ should be dismissed as improvidently granted.

*Respectfully submitted,*

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FILED  
NOV 10 1919  
JAMES D. NAHER,  
CLERK.

IN THE  
**Supreme Court of the United States.**

OCTOBER TERM, A. D. 1919.

No.  111

NATIONAL BRAKE AND ELECTRIC  
COMPANY,

*Petitioner,*

*vs.*

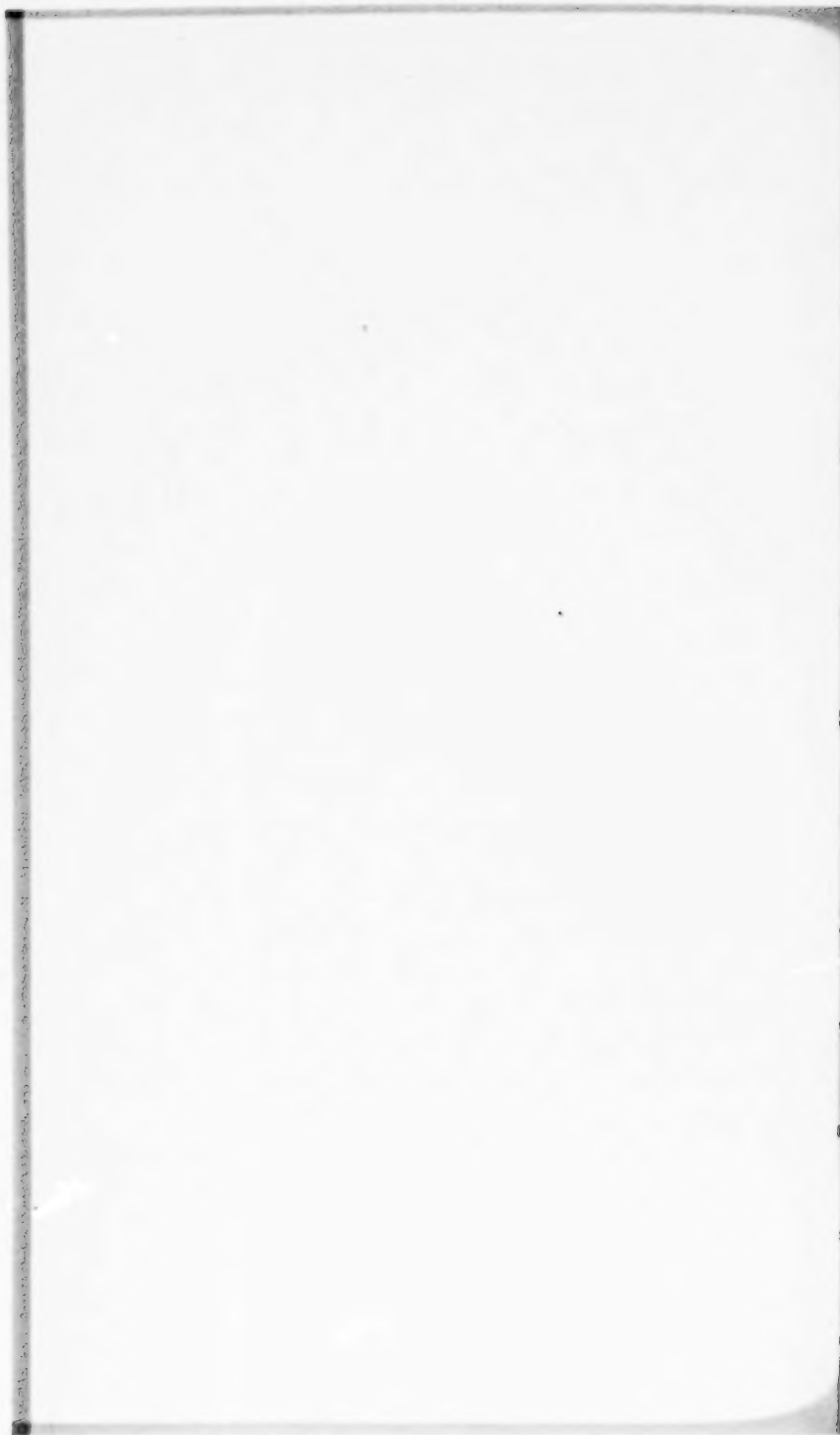
NIELS A. CHRISTENSEN and ALLIS-  
CHALMERS COMPANY,

*Respondents.*

Certiorari to the Circuit  
Court of Appeals for  
the Seventh Circuit.

BRIEF FOR PETITIONER IN OPPOSITION TO MOTION OF  
RESPONDENTS TO DISMISS.

THOMAS B. KERR,  
JOHN S. MILLER,  
EDWARD OSGOOD BROWN,  
CHARLES A. BROWN,  
*For Petitioner.*



IN THE

# Supreme Court of the United States.

OCTOBER TERM, A. D. 1919.

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No. 382

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NATIONAL BRAKE AND ELECTRIC  
COMPANY,

*Petitioner,*

*vs.*

NIELS A. CHRISTENSEN and ALLIS-  
CHALMERS COMPANY,

*Respondents.*

Certiorari to the Circuit  
Court of Appeals for  
the Seventh Circuit.

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## BRIEF FOR PETITIONER IN OPPOSITION TO MOTION OF RESPONDENTS TO DISMISS.

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### I.

THIS COURT'S JURISDICTION TO AWARD THE CERTIORARI WAS INVOLVED AND DECIDED AND SUSTAINED BY THE COURT IN DIRECTING ITS ISSUE, AND THAT ACTION IS DECISIVE OF THIS MOTION.

The question raised on the respondents' motion here to dismiss is therefore no longer an open one. That question stood at the threshold when we applied for the certiorari.

Counsel for petitioner conceived that the decision of the Circuit Court of Appeals here in question was one

which was made final by Section 148 and so not appealable of right; and that the proper method for seeking review of this court was by certiorari, and accordingly in proper time applied promptly to this court therefor; and the court here thereupon granted said writ and the same was issued on June 17, 1919, all of which was within three months after the entry of the judgment or decree of the Circuit Court of Appeals of April 29, 1919.

The judgment of this court awarding the certiorari was a ruling that the case was a proper one for such writ. The petitioner had the right to rely upon the award of the certiorari as lawfully made, without praying for an appeal. It is now too late for respondents to raise the question. If they failed to raise it in opposing the application for the certiorari, it is obvious that they could not so stand by, without raising the point now made until the writ is issued, and the time of petitioner to pray an appeal, if that were necessary, had gone by, and afterwards urge the point upon motion to dismiss.

## II.

THE PROCEEDING IN THE CIRCUIT COURT OF APPEALS, HERE UNDER REVIEW, WAS NOT AN ORIGINAL PROCEEDING OR CASE IN THAT COURT, IN ANY SUCH SENSE AS IS CONTENDED BY RESPONDENTS.

It was a supplemental proceeding in Case No. 2163 in that court. The controversy tendered by said petition to the Circuit Court of Appeals was still over the same old question of the validity or invalidity of Patent No. 635,280,—which was in said case from its commencement in the District Court to and through the proceedings on appeal in the Circuit Court of Appeals, and the applica-

tion of the petitioner to vacate the interlocutory orders or decrees sustaining the patent.

That issue having been determined by the final decree of the court at Pittsburgh upon the bill of complaint of respondents there, the petitioner here maintained that the courts of the Seventh Circuit should make a like finding upon that question and enter a like judgment in the suit there adjudging said patent invalid,—their former interlocutory judgments to the contrary notwithstanding.

The courts of the Seventh Circuit denying and dismissing such application, this certiorari was applied for and issued; and thereupon the question as to the validity of said patent is here presented, viz:

Shall said patent be adjudged to be invalid by the courts in the Seventh Circuit in the suit there, in accordance with the final judgment of the District Court at Pittsburgh? For which we submit the case of *Hart Steel Co. v. Railroad Supply Co.*, 244 U. S., 294, is direct authority.

We briefly summarize the situation:

This case arose by the respondents' filing their bill of complaint against petitioner in the Circuit Court for the Eastern District of Wisconsin, at Milwaukee, on December 17, 1906, setting up the Letters Patent No. 635,280 therein mentioned, issued to respondent Christensen, alleging its infringement by the petitioner, and praying for an injunction and an accounting and decree for profits and damages. *Hugule Mfg. Co. v. Galeton Cotton Mills*, 184 U.S., 290, 294-5; *MacFadden v. United States*, 213 U. S., 288, 294. Answer was filed March 1, 1907. (Rec., 20.) An amended bill was filed November 10, 1913. (Rec., 18.)

After hearing upon the issues—a *principal issue being as to the validity of said Patent No. 635,280*,—the interlocutory decree was entered August 21, 1914, sustaining the validity of said patent, finding its infringement by defendant, awarding an injunction and directing an accounting before a master (Rec., 39-40); and upon appeal said decree was (on October 5, 1915) affirmed by the Circuit Court of Appeals (Rec., 49-50). It is in this patent case that the proceeding here in question was taken.

The case in the Seventh Circuit being pending before the master upon the accounting, after it was remanded, that same important issue—as to the validity of said Patent 635,280,—was afterwards again, by the respondents herein, presented afresh for determination to the District Court for the Western District of Pennsylvania at Pittsburgh, by their bill of complaint filed March 13, 1916, against the Westinghouse Traction Brake Company (with which this petitioner here was in privity)—said bill being cast in the same mould as the amended bill in the Milwaukee case above mentioned. (Rec., 56-65.) No reference was made in said Pittsburgh bill to the suit in the Seventh Circuit. And upon proper issues such proceedings were had in the Pittsburgh case, that by the decision of the Circuit Court of Appeals for the Third Circuit upon proper hearing herein, said Patent No. 635,280 was held to be invalid on the ground that it was issued without warrant of law. (Rec., 107, 112.) Thereupon, afterwards, by the decree of said District Court of the United States at Pittsburgh entered pursuant to said decision and mandate of said Circuit Court of Appeals for the Third Circuit—said Patent 635,280 was adjudged to be invalid, having been issued without warrant of law. (Rec., 115.) And the bill of complaint



and suit itself was thereupon afterwards on the same day dismissed, so that the decree adjudging the patent invalid became final and irreversible.

Thereupon, the decrees in the District Court at Milwaukee, and in the Circuit Court of Appeals for the Seventh Circuit, holding the said Patent No. 635,280 valid, being—as counsel for the petitioner here conceived—interlocutory and within the power of such courts to vacate, and not final and irreversible; and the decree at Pittsburgh adjudging such patent to be invalid being final and irreversible,—the petitioner here presented the application to the Circuit Court of Appeals for the Seventh Circuit which is here in question.

Upon such application *the issue before the court was still the question as to the validity of said patent*, which was presented by and upon the bill of complaint of the respondents here in the District Court at Milwaukee.

Our petition to the Circuit Court of Appeals assumed, of course, that that court had the jurisdiction and power to entertain and grant the application. In other words, it assumed as a basis that the decree of the District Court sustaining the validity of Patent 635,280, and its own decree affirming that of the District Court, were interlocutory and not final. This is made clear by the petition itself, as it was understood by the Court of Appeals as shown by their opinion (Rec., 257), and by the order of that court denying the petition (Rec., 264).

It was a supplemental petition and proceeding bringing before the court the fact that after the interlocutory decrees in question in the Seventh Circuit, sustaining Patent 635,280, a *final* decree in the District Court at Pittsburgh was entered adjudging said patent invalid and it prayed for a rehearing in the Seventh Circuit courts upon that question as to the validity of said pat-

ent in view of said final decree adjudging its invalidity,—which (under the decision of *Hart Steel Co. v. Railroad Supply Co.*, 244 U. S., 294) was, as we conceived, conclusive upon that question upon the courts in the Seventh Circuit. The application was first made to the District Court (Rec., 16 *et seq.*, 242-251) which denied it, but stayed the proceedings before the master for ten days to enable the application to be made to Circuit Court of Appeals (Rec., 251); and thereupon (counsel having in mind the ruling of this court in *Re Potts*, 166 U. S., 361, and other cases) this petition was there accordingly presented (Rec., 1-6).

This supplemental petition or pleading by the defendant was between the same parties and involved the same subject matter,—the validity of said patent,—as the Case No. 2163 in that court. It was not a new or original suit or case, but a new part of the patent case then still pending, to which it was supplemental.

*Baker v. Whiting*, 1 Story, 218.

*Longworth v. Sturges*, 4 Ohio, St. 600, 707, 708;  
Story's Pleadings, §§ 18, 20, 21.

### III.

THE CASE—THE PROCEEDING HERE BEFORE THE CIRCUIT COURT OF APPEALS—WAS A CASE ARISING UNDER THE PATENT LAWS WITHIN THE MEANING OF SECTIONS 128 OF THE JUDICIAL CODE.

This is settled by decisions of this court. *Huguley v. Galeton Cotton Mills*, 184 U. S., 290, 294-5; *MacFadden v. United States*, 213 U. S., 288, 294.

In *Huguley Mfg. Co. v. Galeton Cotton Mills*, 184 U. S., 290, 294-5, this court, construing Section 6 of the Circuit

Court of Appeals Act (Judicial Code, Section 128) said that the jurisdiction referred to in the provision that all judgments and decrees of the Circuit Court of Appeals should be final in all cases where the jurisdiction is dependent entirely on diversity of citizenship—"is the jurisdiction of the Circuit Court as originally invoked."

In *MacFadden v. United States*, 213 U. S., 288, 294, the court said that "the line of division between cases appealable from the Circuit Court of Appeals to this court and those not so appealable, drawn by Section 6, \* \* \* is determined, not by the nature of the case or of the questions of law raised, but by the sources of jurisdiction of the trial court."

The fact, then, that particular questions were before the Court of Appeals on our petition such (1) as to the finality or otherwise of the decree of the District Court sustaining Patent No. 635,280 and of its own decree affirming that of the District Court, and (2) as to the effect as *res judicata* of the final decree of the Pennsylvania court adjudging the same patent to be invalid, does not determine or affect the question here of appealability of the decree of that court denying our petition which is under review on this certiorari. That is merely one "of the questions of law raised," while the material point is "the source of jurisdiction of the trial court." That source was the patent laws.

## IV.

IF THE CASE IN QUESTION BEFORE THE CIRCUIT COURT OF APPEALS, AND NOW BEFORE THIS COURT ON CERTIORARI, WERE NOT ONE MADE FINAL BY SECTION 128, BUT WAS ONE FROM WHICH AN APPEAL TO THIS COURT WOULD LIE,—IT WOULD NOT FOLLOW THAT THIS MOTION TO DISMISS FOR WANT OF JURISDICTION HERE SHOULD BE SUSTAINED.

The case is here by the exercise by this court of its jurisdiction and power to issue the certiorari. If the power exists, this motion is not well taken.

It has never been held, so far as we are aware, that this court is without power to issue a certiorari in any case over which it may have appellate jurisdiction. The certiorari method is one exercise of appellate jurisdiction. (Jud. Code, § 240.) The certiorari jurisdiction is much broader than the jurisdiction by appeal.

The Act of Congress (Judicial Code, Section 240) provides that when a case has been brought up by certiorari, the Supreme Court *has the same power and authority over it as if it had been carried there by appeal or writ of error.*

The power of the court to issue writs of certiorari to the Circuit Court of Appeals is, however, not limited to the provisions of Section 240 of the Code. They may be issued under Section 262 of the Code—a power which has been in the federal statutes since the Judiciary Act of September 24, 1789, was passed.

*McClellan v. Garland*, 217 U. S., 268, 278.

It is settled that Section 262 contemplates the employment of certiorari hereunder in instances not covered by Section 240, and affords ample authority for using

the writ whenever there is imperative necessity therefor in giving full force and effect to existing appellate authority and of furthering justice in other kindred ways. *American Const. Co. v. Jacksonville Ry.*, 148 U. S., 372, 380; *In re Chetwood*, 165 U. S., 443, 462; *Whitney v. Dick*, 202 U. S., 132. The writ may be issued "whenever the circumstances imperatively demand that form of interposition, as at common law, to correct excess of jurisdiction and in furtherance of justice."

*McClellan v. Garland*, 217 U. S., 268, 278.

*In re Chetwood*, 165 U. S., 443, 461.

It is submitted that the writ would be imperatively demanded in furtherance of justice by the circumstance that a party having a right to appeal had lost that right by acting in reliance upon the ruling of the court of last resort that the writ of certiorari was the proper remedy.

## V.

THE CASE HERE IS WITHIN THE SPIRIT AND MEANING, INTENTION AND APPLICATION OF SECTION 4 OF THE ACT OF SEPTEMBER 6, 1916, AND THAT PROVISION IS TO BE CONSTRUED AS COVERING THE CASE AT BAR.

Section 4 of the Act of Congress of September 6, 1916 (referred to on page 15 of respondents' brief) provides that no court having power to review a judgment or decree rendered or passed by another, shall dismiss a writ of error or appeal solely because the other method of review should have been taken, but shall dispose of the case and take the action which should be appropriate if the proper appellate procedure had been followed. (6 Com. Stat., Sec. 1228a.) It is submitted that the word "appeal" in this section includes a petition for certio-

rari. When that petition is allowed, the case is here in this court with the same power and authority as if it had been carried by appeal or writ of error. (Jud. Code, § 40.)

Again, if not within the letter, this case is within the spirit and intention—the “equity” and implication—of Section 4 of the act in question and is within its application.

In *Gauzon v. Compania General*, 245 U. S., 86, 89, the court said, that this section “requires that the party seeking review shall have it in the appropriate way notwithstanding a mistake in choosing the method of review.” Obviously then, a mistake in choosing the certiorari method under Section 240, where appeal was the proper method, comes within the intention of this Section 4.

This statute is clearly remedial and curative and should have such construction; and the principle is settled that rights and remedies under such a statute may be based and enforced upon what is called the spirit or the “equity” of a statute,—as being within its intention,—although they may not be strictly within its terms, where the same reason for its application applies to its full extent to the case at bar as to a case within its express terms; or in other words, “Where there is no reason why the rights of a party should be saved in the one case and not in the other.”

*Exrs. of Haymaker v. Haymaker*, 4 Ohio St. 272, 279-80.

*Coffin v. Cottle*, 16 Pick., 383.

*Holy Trinity Church v. United States*, 143 U. S. 457.

In *Holy Trinity Church v. U. S.*, 143 U. S., 457, 458-9, the Act of February 26, 1885, prohibiting the importation and immigration of foreigners and aliens under contract to perform labor or service of any kind in the United States, included, within the letter thereof, as was conceded, the engagement of an alien rector or pastor for the church in question; and the specific exceptions made in the act (which did not include the case of the rector or pastor), was conceded to strengthen the idea that every other kind of labor and service was intended to be included within the prohibition. Nevertheless the court held that, while within its letter, the case of the rector or pastor was not within the statute, because not within its spirit, nor within the intention of its makers.

In *Coffin v. Cottle*, 16 Pick., 383, 385-386, the proviso of a statute of limitations provided that if a judgment for plaintiff be *reversed for error*, or *be given against him for matter alleged in arrest of judgment*, after a verdict in his favor, he might within a year commence a new action.

In that case a plea had been sustained as a bar to a *scire facias*; and within a year thereafter, but more than six years after the debt accrued, and after the statute of limitations had run against the same, the plaintiff commenced a new suit. Although the case did not come within the terms of the proviso, Mr. Chief Justice Shaw held that the statute was remedial and considering what it was founded upon—its purpose—construed the proviso as being meant to apply to a case “where the plaintiff had been defeated by some matter not affecting the merits,—some defect or informality which he can remedy or avoid by a new process”; and he sustained the suit as being within the proviso or saving clause.

This case comes strikingly within the rule laid down in the cases cited, and many other cases to the same purport.

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CHARLES A. BROWN,

*For Petitioner, National Brake & Electric  
Company.*





Office Supreme Court, U. S.  
FILED

NOV 8 1920

JAMES D. MAHER,  
CLERK.

IN THE  
**Supreme Court of the United States.**

OCTOBER TERM, A. D. 1920.

No. 111

NATIONAL BRAKE & ELECTRIC COMPANY,

*Petitioner,*

*vs.*

NEILS A. CHRISTENSEN AND ALLIS-CHALMERS  
COMPANY,

*Respondents.*

ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF  
APPEALS FOR THE SEVENTH CIRCUIT.

*(Petition for Certiorari filed May 24, 1919. Certiorari and Return filed  
June 23, 1919. 27133.)*

BRIEF FOR PETITIONER. NATIONAL BRAKE & ELECTRIC  
COMPANY.

JOHN S. MILLER,  
EDWARD OSGOOD BROWN,  
PAUL SYNNESTVEDT,  
CHARLES A. BROWN,

*Counsel for Petitioner, National  
Brake & Electric Company.*



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(b) *We contend, moreover, that the Circuit Court of Appeals should—the whole record considered—have further directed the District Court to dismiss said bill for want of equity.....*

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IN THE  
**Supreme Court of the United States.**

OCTOBER TERM, 1918.

---

NATIONAL BRAKE & ELECTRIC COMPANY,  
*Petitioner,*

*vs.*

NIELS A. CHRISTENSEN AND ALLIS-CHALMERS  
COMPANY,  
*Respondents.*

---

CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS  
FOR THE SEVENTH CIRCUIT.

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BRIEF FOR PETITIONER.

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I.

CONCISE STATEMENT OF CASE AND QUESTIONS  
INVOLVED.

We quote from the decision of the Circuit Court of Appeals the following concise statement of the case:

“Respondents sued petitioner in the District Court for the Eastern District of Wisconsin for alleged infringement of Patent No. 635,280, issued October 17, 1899, to N. A. Christensen, for a combined pump and motor. On issues joined as to the ultimate rights of the parties, the District Court heard and considered all the evidence each side had to offer respecting the ownership, validity and infringement of the patent, and thereupon adjudged and decreed that respondents were the owners of a valid patent which was being infringed by structures

made, used and sold by petitioner, that petitioner and its agents be enjoined during the life of the patent from making, using or selling any combined pump and motor embodying the Christensen improvements, and that an accounting before a named master in chancery be had for past infringements. On appeal to this court that decree was affirmed in 1915. Ever since our mandate was issued, the cause has been pending in the District Court in Wisconsin on the accounting.

Some time after the decisions in this circuit, respondents began a suit on the same patent against the Westinghouse Traction Brake Company in the District Court for the Western District of Pennsylvania. That litigation resulted in a decree, entered in 1917, pursuant to the mandate of the Circuit Court of Appeals for the Third Circuit, holding the patent invalid and dismissing the bill for want of equity.

Thereupon petitioner went into the District Court in Wisconsin and on representations that it was entitled to the benefit of the Pennsylvania decree as a privy asked that the Wisconsin decree be vacated and petitioner be granted leave to amend its answer on the merits by setting up the Pennsylvania decree as *res adjudicata*. That petition was denied.

And now petitioner comes before us in an original proceeding, asking that we recall our mandate, vacate our decree, find that the Pennsylvania decree is *res adjudicata* in this case, and thereupon direct the vacation of the Wisconsin decree and the dismissal of the bill on its merits.

On the records of these two cases, which are submitted as constituting all the evidence that bears on this motion, respondents dispute petitioner's contentions as to the identity of subject matter and parties in the two decrees. But at the threshold lies the question of the nature and effect of the Wisconsin decree, affirmed by this court, and we have stated the case only in that aspect." (Printed Rec., 256-257.)\* See also *post* pp. 5-32, and 258 Fed., 880.

The question "at the threshold," which the Court of Appeals referred to and decided, was as to the finality

\*References to the record are to the top paging of Printed Record in this court,—except references in later footnote, *post*, p. 29.

of such Wisconsin decree as an adjudication of the issue as to the validity of Patent No. 635,280; and that court held that such decree was final—*res judicata*—and not interlocutory; and so holding, denied the application of the petitioner to give effect to the Pennsylvania decree as *res judicata*. (Rec., 263, 264 )

In so ruling the Court of Appeals did not give effect to the fact that the hearing and determination by the Circuit Court of Appeals for the Third Circuit of the question of the validity of Patent 635,280 was consented to by the respondents,—the decrees sustaining that patent in the suit here to the contrary notwithstanding. This fact was shown by the answer of respondents herein (par. 6, Rec., 8-9), as well as by the opinion of the Circuit Court of Appeals for the Third Circuit. (Rec., 109.)

The decree of the District Court in question is for convenience here given, the italics being, of course, ours :

#### DECREE.

This cause came on to be heard at this term and was argued by counsel; and thereupon, upon consideration thereof,

It was ordered, adjudged and decreed, as follows, viz:

I. *That the patent of Niels A. Christensen No. 635,280, dated October 17, 1899, for 'combined pump and motor,' is good and valid as to each and every of the claims thereof.*

II. That the complainant, Niels A. Christensen, is the lawful owner of the entire right, title and interest in and to *said* patent.

III. That the defendant, National Brake & Electric Company has infringed *said* patent.

IV. That the said defendant, National Brake & Electric Company, its officers, agents, representatives, attorneys, employees, servants and workmen and each of them and any and all others acting by

and under its authority, for the remainder of the term of seventeen years from and after March 21, 1899, are hereby enjoined and restrained from making, selling or using or causing to be made, sold or used, any combined pump and motor embodying the improvements described in any of the claims of said *Letters Patent No. 635,280*.

V. That Lewis M. Ogden be appointed master, to ascertain and report to the court the number of combined pumps and motors embodying the subject matter of the claims of said *Patent No. 635,280* that have been made and also that have been sold by the defendant in infringement of the patent, and the gains and profits made by the defendant thereon, and the damages sustained by complainants by reason of such manufacture, use and sale.

VI. That complainants, Niels A. Christensen and Allis-Chalmers Company recover of the defendant, National Brake & Electric Company, their costs and disbursements in this suit to be duly taxed; and that the question of increased damages and all further questions be reserved until the coming in of the master's report." (Rec., 39-40.)

This decree was entered by the District Court August 21, 1914, and affirmed by the Circuit Court of Appeals October 5, 1915. (Rec., 50.)

The real question before the Circuit Court of Appeals for the Seventh Circuit, in the instant matter, was whether that court, and under its direction the District Court for the Eastern District of Wisconsin might and should (as we asked it to do in our petition filed August 19, 1918), recognize and give effect (1) to the ruling and decision of the Circuit Court of Appeals for the Third Circuit, rendered July 3, 1917 (Rec., 112, 113, 114), adjudging said *Patent No. 635,280* to be invalid,—which decision was made upon a hearing had in that court by agreement of the parties submitting there that issue for decision upon the merits (Rec., 8-9, 109), in a suit between the respondents here, as plaintiffs, and the Westinghouse Traction Brake Company, a privy of this

petitioner, as defendant; and (2) to the final decree of the District Court for the Western District of Pennsylvania, of October 1, 1917, adjudging said patent to be invalid, which was entered to carry out the mandate of the Circuit Court of Appeals. (Rec., 115.)

The Circuit Court of Appeals of the Seventh Circuit having denied our petition, the petitioner applied to this court for a writ of certiorari which was issued. (Rec., 265.)

## II.

## FULLER STATEMENT OF THE CASE AND QUESTIONS INVOLVED.

## 1. THE INSTANT WISCONSIN SUIT.

Suit in equity, No. 474, was brought December 17, 1906, in the District Court of the United States for the Eastern District of Wisconsin by respondents Christensen and Allis-Chalmers, against petitioner, National Brake and Electric Company, for alleged infringement of Letters Patent No. 635,280 granted to Christensen for an improvement in combined pump and motor, dated October 17, 1899. (Rec., 242.)

Defendant answered this original bill on March 1, 1907, alleging among other things the prior issue of another patent, No. 621,324, to Christensen for the same invention, its return by him for cancellation, the cancellation thereof, alleging also the issue of said Patent 635,280, and that the issue of said second patent was without warrant of law, and said patent was therefore void *ab initio*. (Rec., 27-28.)

November 10, 1913,—almost seven years after the filing of the original bill (during which time the suit slumbered), an *amended bill* was filed by the plaintiffs making allegations that Christensen had before October 17, 1899, namely, on March 21, 1899, obtained a patent for the same invention under the number 621,324 (which patent will be referred to by us as the "First Patent"); and that because he was advised that this first patent might be in some particulars defective, he refused to accept said patent and returned the same to the Commissioner of Patents, and requested that said letters



patent be canceled and new letters patent be issued to him for the said invention; and that the request of the plaintiff was granted and said Commissioner of Patents undertook to cancel said Letters Patent 621,324, and to issue in lieu thereof to said Christensen under date of October 17, 1899, Letters Patent No. 635,280 for the full term of seventeen years from said October 17, 1899, and not for the unexpired part of the period of the first patent. (Rec., 18-25.) (This patent will be designated by us the "Second Patent.")

The amended bill alleged that "the public \* \* \* has had due notice that said motor compressors, articles and apparatus are made under said grant or monopoly and have been and are patented and have been and are marked by fixing thereon the word 'Patented,' together with the day and year of the issuance of said last numbered patent,"—the second patent. (Rec., 22.)

It will be noted that there was no allegation of marking under the first patent.

Said amended bill prayed that "the exclusive grant and monopoly to said Christensen" be adjudged to be valid and in full force for the term of seventeen years from and after March 21, 1899 (the date of the first patent); and that said Letters Patent 635,280 (the second patent) be held by the court to be evidence of said grant for the term of seventeen years from and after March 21, 1899 (the date of the first patent); but if the court should adjudge the second patent invalid, then the bill, in the alternative, prayed the court should decree that the "acts of the Commissioner of Patents and of the Patent Office of the United States in attempting to cancel Letters Patent 621,324 (the first patent) were wholly ineffective and adjudge the first patent to be valid and "that the judgment and decree of this court be entered

herein that the plaintiff, Christensen, is entitled to have said Letters Patent No. 621,324 returned" to him and that "with or without such return, said judgment and decree of the court shall stand and operate in all respects in lieu thereof." (Rec., 24-25.)

The amended bill then made prayers for an answer, an injunction and an accounting of profits and damages.

By order of February 10, 1914, on motion of the defendant, its answer to the original bill filed March 1, 1907, was ordered to stand to the amended bill. (Rec. 30.)

Among other things said answer denied patentability to the claimed invention, averred anticipations, and also set up said prior issue of the first patent, the return thereof by Christensen and cancellation thereof by the Commissioner of Patents, and issue of the second patent for the same invention; and averred that this was done without warrant of law and that "said Letters Patent No. 635,280, were and are null and void *ab initio*"; and denied that the public had notice that articles made and sold under said patent were patented, or had widely recognized and acquiesced in the validity thereof or the utility of said alleged improvement and the alleged exclusive title of complainants thereto." (Rec., 27-29.)

A stipulation in 1913, recited that it was agreed that defendant had due notice as early as May, 1906, "of the issuance of Letters Patent No. 635,280" (the second patent), dated October 17, 1899. (Rec., 31.)

The decree of the District Court above set forth did not refer at all to the said first patent, or cover the alternative or conditional prayer of the amended bill as to alleged patent, No. 621,324 (Rec., 24), which had been canceled at plaintiff's direction, as alleged in the amended bill (Rec., 19-20);—so that said

first patent was not, in any respect, or to any extent sustained or adjudicated in plaintiff's favor by said decree.

Indeed, as we submit, the decree sustaining the second patent excluded the idea that the first patent had any existence.

On appeal this specific decree of the District Court was on October 5, 1915, affirmed by the Circuit Court of Appeals. (Rec., 50.) The master then proceeded with the accounting ordered, and is still so proceeding. (Rec., 242.) The accounting, of course, is under the second patent.

## 2. THE PENNSYLVANIA SUIT.

### (a) *Filing of Bill by Christensen et al. in Pennsylvania.*

On March 13, 1916, respondents Christensen and Allis-Chalmers Company filed their bill of complaint against the Westinghouse Traction Brake Company in the District Court of the United States for the Western District of Pennsylvania. (Rec., 56-66.)

The bill and issues in the Pennsylvania suit were in all substantial respects identical with the amended bill in the Wisconsin suit as to Patents 621,324 and 635,280.

(The Pennsylvania bill also set up and claimed infringement of three other later patents,—one No. 680,842, dated August 20, 1901, for improvements in compressor valves (Rec., 59, 62, 64); another, No. 914,629, dated March 9, 1909, for improvements in compressor valves (Rec., 72); and a third, No. 753,904, dated March 8, 1904, for improvement in electric machines (Rec., 72, 73);—said last mentioned two patents being added by amendment to bill of May 15, 1916.

Said bill was dismissed as to said three last mentioned

patents on motion of the complainants on February 2, 1917 (Rec., 104); and that order as to those three patents was never reversed or disturbed. The Pennsylvania suit was thereafter concerned only with Patents Nos. 621,324 and 635,280.)

This bill of complaint,—like the amended bill in the Wisconsin suit (*supra*, pp. 5-6),—alleged the facts as to the issue of the first patent, its return by the patentee to the Commissioner of Patents with the request that it be canceled and new letters patent be issued to him in conformity with the record in the Patent Office; and cancellation of said first patent accordingly and issue of the second patent (Rec., 59); and contained prayers like those of the Wisconsin amended bill. (Rec., 64-65.)

The answer in the Pennsylvania suit denied the validity of Patent No. 621,324; and also of Patent No. 635,280; and among other grounds thereof alleged that said Patent No. 635,280 was void because issued without warrant of law, by reason of the previous grant of said first patent, No. 621,324, for the same invention. (Rec., 68.) The answer in the Wisconsin case, as we have above shown (*supra*, p. 7), also denied the validity of said Patent 635,280 upon like grounds. (Rec., 28.)

Thus the pleadings in both the Wisconsin and Pennsylvania suits, by like allegations presented the same facts as to the issue, and the return for cancellation, and the cancellation of said first patent; and as to the issue of the second patent, and the question presented thereon as to its validity.

A stipulation of facts between the parties was entered into October 27, 1916, in the Pennsylvania suit as follows:

“That on December 30, 1896, the plaintiff Ch

tensen made an application for a patent of the United States for a combined pump and motor; that said application contained two sheets of drawings; during the proceedings in the Patent Office one of these sheets of drawings was canceled by the applicant; the application was allowed and the patent issued on March 21, 1899. As issued, the patent, No. 621,324, contained the said canceled sheet of drawings; on September 16, 1899, Christensen returned the said patent to the Commissioner of Patents, calling attention to the mistake, and demanded that a patent be issued in accordance with the record; thereupon an order was made by the Commissioner of Patents that the seal of said patent be broken and the same returned to the file, marked 'canceled,' and that a patent conforming to the record should be issued. Thereupon a new patent, No. 635,280, was issued to Christensen on October 17, 1899, without the canceled sheet of drawings, for a full term of seventeen years from October 17, 1899, and was for the same invention as the Patent No. 621,324 issued on March 21, 1899, the remaining drawings, specifications and claims being the same in both patents." (Rec., 87, 88.)

(b) *Motion of Plaintiffs in Pennsylvania Suit to Dismiss Bill Without Prejudice, Objection of Defendant and Counter-motion of Defendant for Judgment upon the Record in its favor on the Merits as to Patents 621,324 and 635,280, and Order thereon.*

Evidence was taken for plaintiffs and for defendant, and the case stood for trial on January 22, 1917. An application was made on affidavits of plaintiff and his counsel for a continuance (Rec., 90-93), in which the Wisconsin suit and its status were referred to, plaintiff's counsel Rummel deposing that "an interlocutory decree" was entered therein finding infringement of one of the patents and ordering an accounting of profits and damages; and both affiants characterized the petitioner here (National Brake & Electric Co.) as a sub-

subsidiary of the defendant there,—(Westinghouse Traction Brake Co.) (Rec., 90-91.)

The time for the trial of the case was thereupon postponed to February 13, 1917. (Rec., 97.) A few days before that time the plaintiffs moved to dismiss the bill of complaint without prejudice. (Rec., 94-96, 100-103.)

Defendant objected and opposed this motion to dismiss (Rec., 97-99); and moved the court for judgment based upon the pleadings in its favor upon the merits, to Patents Nos. 635,280 and 621,324, upon the ground that as to such patents all the facts necessary to judgment were already in the record in the allegations of the bill of complaint and in admissions of the answer. (Rec., 100.)

The District Court overruled such motion of the defendant for judgment, and granted the motion of the plaintiffs to dismiss, and thereupon (on February 13, 1917) ordered that the bill of complaint be dismissed with plaintiffs' costs without prejudice; provided that depositions theretofore taken might be used in any other subsequent or pending litigation between plaintiffs and defendant. (Rec., 101-104.)

Defendants thereupon (on March 1, 1917) moved for rehearing upon its said motion for judgment as to Patents Nos. 621,324 and 635,280 upon the ground that the question involved was determinable upon the bill of complaint and answer, and that defendant had the right to have the case decided on its merits as to both patents (Rec., 104-105),—the bill having set out the facts upon which the defense of the invalidity of Patent No. 635,280, by reason of the previous grant of Patent No. 621,324, was based. And the answer had admitted the facts to put in issue the validity of Pa-

No. 635,280 in view of them; and the bill having averred the marking of machines manufactured by the plaintiffs as patented under Patent No. 635,280, and making no such averment as to Patent No. 621,324; the defendant submitted to the court that the defendant had the right to a decision of the question on the merits, and had acquired such rights in the progress of the case as to entitle it to insist upon a final judgment, and therefore prayed that it might be granted a final hearing as to Patents Nos. 621,324, and 635,280,—the bill to stand dismissed as to the other patents in the suit. (Rec., 104-105.) But the District Court refused to entertain such application. (Rec., 109.)

(c) *Proceedings in Court of Appeals for the Third Circuit.*

The defendant thereupon (on April 17, 1917) applied to the Circuit Court of Appeals for the Third Circuit for a certiorari;—its petition, as summarized in the opinion of the Circuit Court of Appeals (Rec., 107), stating in substance as follows:

“That in the bill the Brake Company was charged with infringing three letters patent (two others being added by amendment), two of the first three covering identically the same invention, and both having been granted to Christensen a few months apart, these patents being No. 621,234, and issued March 21, 1899, and No. 635,280, and issued October 17, 1899, each for the full term of seventeen years from its date. That the bill explains this unusual situation as follows: When the first petition issued on March 21, 1899, it contained (probably by inadvertence in the office) a sheet of drawings that the petitioner had ordered to be canceled during the proceeding before the examiner. Several months later the petitioner sent the letters back and demanded new letters that would omit the sheet referred to. He did not apply for a reissue, but the commissioner granted

the demand, and on October 17th canceled the old letters and issued new letters identically therewith (excepting the sheet), but running for seventeen years from its own date. That the answer admits these facts and sets up the invalidity of the second patent on the ground that it was a later grant to the same man for the same invention.

That in addition to the facts charged and admitted, the bill also shows that the question of validity between the two patents has become important, because the bill also avers that the plaintiffs' machines were marked under the second patent, but contains no such averment as to marking under the first patent, this being a matter that affects the accounting if the first patent should be adjudged valid over the second. That the dates show that both patents have now expired, although if the first patent continued to be in force it did not expire until several days after the bill was filed. That is, no injunction can now issue under either patent, the bill presenting only a question of recovery and accounting so far as these two are concerned. Whichever patent be valid over the other, the District Court had in the pleadings without regard to any other consideration, all the facts needed for a decision of this question on the merits;—the bill submitting the question as to an issue to be determined by the court, and praying for an injunction alternatively under the first patent or the second."

(d) *Hearing in the Third Circuit Court of Appeals of the Merits of the Controversy, by Agreement of Parties.*

Upon notice the matter was set down for argument in the Circuit Court of Appeals on June 15, 1917, at which time "counsel for both sides appeared, and, after discussing the point whether the remedy sought to be invoked was appropriate, they agreed at bar that the merits of the controversy should be heard in reference to the first two patents, and accordingly argument was had thereon." So that (the Court of Appeals ruled) "informally, there



fore, but with complete effect, the case is before us as if a certiorari had been actually issued and the record returned in obedience thereto." (Rec., 109; 243 Fed., 903-904. See also Rec., 8-9, and *post*, pp. 16-17-21.)

(c) *Second Patent Held Invalid.*

The Circuit Court of Appeals decided said case on July 3, 1917, and held that the second patent, No. 635,280, was invalid, saying in its opinion:

"The second patent was not a reissue, for it did not conform to Section 4916, and it was not confined to correcting a mistake under Rule 170, for it went beyond the mistake, and modified the first patent in a vital part, namely, in its date of expiration. Therefore, as the commissioner had no warrant in the law for what he did (*McCormick v. Aultman*, 169 U. S. 608) we see no escape from the conclusion that the second patent was invalid and must now be so adjudged.

To avoid misunderstanding, and if possible to prevent further controversy on several points, we may add that the petitioner is at liberty to urge any defense that may be available under its answer, with the same effect as if the bill had been originally brought under the first patent. On these matters we decide nothing. \* \* \* The decree of dismissal is therefore reversed so far, and so far only, as it affects the two patents referred to, and the bill is reinstated for further proceedings in conformity with this opinion." (Rec., 112, 114.)

Thereupon, the mandate being filed in the District Court, a decree of the District Court was entered on October 1, 1917, by which it was ordered, adjudged and decreed, in accordance with the mandate of the Court of Appeals, that Patent No. 635,280 was invalid, having been issued without authority of law; and that the bill of plaintiffs be and was dismissed as to said Patent No. 635,280 with costs to defendant. (Rec., 115.)

Subsequently upon the same day the same court dis-

missed the bill as to Patent No. 621,324 for want of prosecution (Rec., 117, 199,; and thus,—the bill having been before dismissed as to the patents other than 621,324,—the entire suit was thereby disposed of; and the decree adjudging Patent No. 635,280 invalid became final and irreversible with the expiration of the term.

(f) *Respondents Took No Steps to Reverse Such Final Decision.*

No further step was ever taken by plaintiffs in the Pennsylvania suit—the respondents here—to reverse, set aside, modify or affect such ruling and decision of the Circuit Court of Appeals in the Third Circuit, or the final decree of the District Court upon the mandate, adjudging such second patent invalid. The position of the plaintiff-respondents was shown by the affidavit of one of their principal counsel, Mr. Spooner, of January 23, 1918, in which he said (Rec., 206, 207) :

“That on the first day of October, 1917, there was duly entered in this court a final decree dated that day dismissing United States Patent 635,280 on the merits and which said final decree is now in full force and effect. \* \* \*

By said order and decree of October 1, 1917, made, dated, entered and filed in this cause on October 1, 1917, which is still in full force and effect, the bill of complaint in this cause was as to said Patent 635,280 dismissed on the merits.”

In their answer to our petition here to the Circuit Court of Appeals for the Seventh Circuit at Chicago, the respondents allege of the proceedings in the Circuit Court of Appeals for the Third Circuit as follows (Rec., 8-9) :

“Respondent further allege that thereafter, to wit, on or about the 23rd day of April, 1917, petitioner filed a petition for a writ of certiorari or mandamus in the United States Circuit Court of Appeals for the Third Circuit, entitled *Niels A. Christensen*

*and Allis-Chalmers Manufacturing Company, Plaintiffs v. Westinghouse Traction Brake Company, Defendant*, and that thereafterward such proceedings were had and taken therein that by consent of the parties and not otherwise, the said Circuit Court of Appeals for the Third Circuit determined on July 3, 1917, that as between said patents numbered respectively 621,324 and 635,280, and in so far as the allegations as to the issuance thereof were contained in the bill and answer in said suit in the Western District of Pennsylvania, both could not be valid evidence of a monopoly grant to respondent Christensen, and that the first of them was valid and the second of them void."

Thus the fact was acknowledged by respondents in this proceeding that the Circuit Court of Appeals for the Third Circuit was given by them the full power to determine the issue and question of the validity of patent, No. 635,280, upon the merits,—notwithstanding any pleading or assertion on their part that such issue and question had been already decided by an alleged final decree of the District Court in Wisconsin, affirmed by the Circuit Court of Appeals for the Seventh Circuit, or that such decree in the Wisconsin suit was *res judicata*.

The statement in answer here (Rec., 11), that the first patent was held valid is, however, without foundation. (Rec., 112, 113.)

3. PROCEEDINGS TAKEN BY PETITIONER, NATIONAL BRAKE & ELECTRIC COMPANY, TO GET THE BENEFIT IN THE WISCONSIN SUIT OF THE FINAL JUDGMENT IN ITS FAVOR IN THE PENNSYLVANIA SUIT.

(a) *Petitioner's Application in This Case to the District Court and Its Refusal.*

On March 9, 1917, counsel for the petitioner here served notice on counsel for plaintiffs in the Wisconsin suit that on March 16, 1918, the defendant would move in the District Court to dismiss the bill of complaint, upon the ground that all of the issues in the case had been finally adjudicated in the defendant's favor by the Circuit Court of Appeals for the Third Circuit and by the final decree of the District Court for the Western District of Pennsylvania, in the suit between the plaintiffs and the Westinghouse Traction Brake Company, with which said defendant the National Brake and Electric Company was in privity; and in support of said motion filed therewith the transcript of the record in the Pennsylvania suit. (Rec., 16, 17 to 241.)

On July 26, 1918, the District Court for the Eastern District of Wisconsin denied said motion. (Rec., 242-252.) The conclusion of the court was that it was not bound to respect the ruling in the Third Circuit "as effective to annul the proceedings still pending here, and, in effect, to overthrow the adjudication here made in Christensen's favor." (Rec., 250-251.)

The court was content to place his ruling upon the ground set forth, and did not consider the contention, which was made by counsel for the plaintiffs, that the defendant's motion "can in no event be entertained in this court." (Rec., 251.) But the point was there made

by the plaintiffs, that the District Court was not the tribunal which could entertain such an application.

(b) *Petitioner's Application Here in Question to the Circuit Court of Appeals.*

Following this, the petitioner, the National Brake and Electric Company, on August 19, 1918, upon notice to respondents, presented and filed its motion and petition, which is here under review, in the Circuit Court of Appeals for the Seventh Circuit, and obtained a rule to answer same, and answer of respondent was filed September, 1918. (Rec., 1-13.)

Our petition in the Court of Appeals sets forth the facts above stated as to the Pennsylvania suit and its issues, and the proceedings in and determination thereof and the final decree therein, and prayed:

For an order directing the dismissal by the District Court of the Wisconsin suit at plaintiffs' costs, upon the ground that all the issues had been finally determined in defendant's favor by the Circuit Court of Appeals for the Third Circuit and by the final decree of the District Court in the Pennsylvania suit of the plaintiffs against the Westinghouse Traction Brake Company, with which company petitioner was in privity (Rec., 1-2);

That the Court of Appeals take jurisdiction and cognizance thereof and inquire into the status of said case and as to the force and effect of said final judgment and order in said Pennsylvania suit, and find and adjudge that the same was and is a final adjudication against said patent 635,280, and that the said patent was and is invalid and void;

That said Court of Appeals adjudge that said final decree in the Pennsylvania suit is a final and binding adjudication against Christensen of the merits of said suit as to patent 621,324, binding upon him and those claiming under him in this suit, and that defendant is entitled thereon to a final decree in

said Wisconsin suit dismissing said suit for want of equity and that said District Court last mentioned be directed to proceed to act accordingly;

That the Court of Appeals make such order in the premises and issue such writs of certiorari or otherwise as might be necessary or proper, ordering and directing said District Court to enter such orders or to certify such records and proceedings to the Court of Appeals for such consideration and determination as would seem to the Court of Appeals proper;

For such other and further or different orders, directions, writs or relief, as, the premises considered, to said Court of Appeals should seem proper or necessary, to the end that the rights and equities of the said petitioner be secured and enforced. (Rec., 5-6.)

(c) *Respondents' Answer to Said Petition.*

The respondents, Christensen and Allis-Chalmers Co., answered said petition or motion (Rec., 7-13); and therein

1. Admit said Wisconsin suit is now pending in the District Court;

2. Deny that all or any of the issues therein have been finally determined in favor of petitioner by the Court of Appeals for the Third Circuit or by the District Court for the Western District of Pennsylvania, in the action against the Westinghouse Traction Brake Company;

And deny that respondents or either of them were or are in privity with said Brake Company.

3. Consent that petitioner may refer to the records on said appeal No. 2163.

4. Admit the entry of decree in Wisconsin suit.

Allege issuance to Christensen of patent 621,324 and that patentee, about September, 1899, discovered that same was erroneous in containing a fugitive sheet of drawings, and returned said patent to the Commissioner of Patents, together with a letter and petition, refusing to accept such patent and request-

ing same be canceled, and requesting new letters patent be issued to him in conformity with the record of the case in the Patent Office and that the commissioner complied with said request and broke the seal of said letters patent, and marked or caused the same to be marked canceled; and that on or about October 17, 1899, and under that date issued Patent No. 635,280, in all respects identical with patent 621,324 except as to date and date of expiration and the omission of said fugitive sheet, for 17 years from October 17, 1899.

5. Admit filing of bill against Westinghouse Traction Brake Co. as alleged. Deny that respondents, or either, were or are in privity therewith. Admit Brake Company answered said bill.

Deny that said suit presented same or similar issues as, and allege it presented other and different issues from, the Wisconsin suit.

6. Deny that said Pennsylvania suit came on for hearing upon pleadings and proofs or that there was ever any trial, hearing or determination therein, but allege that when said suit was reached on the calendar it was dismissed without prejudice on motion of plaintiffs, February 24, 1917.

Allege filing by petitioner of petition for writ of certiorari or mandamus in the Court of Appeals for the Third Circuit, and that the proceedings therein were had and taken by the consent of the parties and not otherwise, and that the said Court of Appeals determined on July 3, 1917, that as between said patents 621,324 and 635,280 and in so far as the allegations as to the issuance thereof were contained in the bill and answer in that suit, both could not be valid evidence of a monopoly grant to Christensen, and that the first was valid and the second void; that the mandate of said Court of Appeals thereon directed said District Court to enter a decree dismissing the bill as to Patent 635,280 only, and left pending before said court for further disposition said bill and all issues as to validity and infringement of said grant of patent monopoly to Christensen, and particularly as evidenced by

Patent 621,324; and that on October 1, 1917, pursuant to said mandate, a decree as to said Patent 621,324 was entered.

7. Allege that on same date, October 1, 1917, said District Court also entered a decree dismissing said suit as to Patent 621,324 for want of prosecution and that said decision was not on the merits; and that said order was entered without notice to respondents, and without any hearing or determination of the merits.

That thereafter petitioner Brake Company, not being satisfied with such decree of dismissal, applied for decree upon the merits as to Patent 621,324, and in form obtained same January 7, 1918, but the same was vacated upon the ground that said decree was contrary to the facts in adjudicating the merits, whereas there had been no trial or adjudication thereof; and said decree of January 7, 1918, was set aside and the decree of October 1, 1917, recognized as of full force by decree dated March 11, 1918.

That thereafter said Brake Company filed in the Court of Appeals for the Third Circuit a supplemental petition for mandamus and certiorari to review the decree last referred to, and that thereon said Court of Appeals June 3, 1918, affirmed the action of the District Court in refusing to enter any decree upon the merits of said monopoly grant and patent.

8. Consent that petitioner may include in the record upon its said petition, the motion and proceedings of the District Court and Court of Appeals in the Pennsylvania suit.

9. Allege petitioner on March 9, 1918, moved in District Court in the Wisconsin suit to dismiss the bill for the same reasons as are now set up in its instant petition, and that hearing was had and said District Court filed a written opinion July 26, 1918, and entered an order on July 31, 1918, denying said motion, which order has never been modified or set aside and is in full force and is a binding and conclusive adjudication as between the parties of the rights of the parties to have said suit.



Equity No. 474, continue, and is *res adjudicata* as to all questions therein raised and submitted by petitioner to District Court and determined by it.

Allege that in making said motion to dismiss in the Wisconsin suit, petitioner elected to submit said issue to a competent tribunal and that its action amounts to an election of remedies, and estops petitioner from denying the validity of the decision, and that same is binding upon it in this proceeding and elsewhere.

Deny that Court of Appeals has any power or jurisdiction to entertain the motion and petition, or to set aside or modify or disregard the decree of said District Court of August 21, 1914, or its own mandate and decree of October 5, 1915, and allege that same and each is a valid decree and binding on parties hereto; and deny that the decree of the District Court in the Pennsylvania suit is an adjudication that Christensen's monopoly grant and patent is void, or that it is binding on the parties hereto or in anywise affects proceedings in the Wisconsin suit, or that the rights of respondents are in any way affected thereby.

11. Allege that the validity of Patent 621,324 has been duly adjudicated by the District Court in the Wisconsin suit, Equity No. 474, and by the Court of Appeals upon said appeal therefrom, No. 2163, and that there is a sufficient decree under which an accounting for profits and damages for infringement of Patent 621,324 can be had.

Pray that in so far as the Court of Appeals may determine that it is advisable or necessary that said decree of the District Court in Wisconsin of August 21, 1914, Equity No. 474, and the opinion and mandate of the Court of Appeals on appeal therefrom, No. 2163 should refer to the grant of patent monopoly right in Christensen without reference to any particular patent number, or should refer specifically to Patent 621,324, same may be amended so as to specifically refer thereto.

12. Allege that in said Wisconsin suit, proceedings have been going on since the entry of said de-

cease of August 21, 1914; a large amount of testimony has been taken, and the master has made findings and determination of the principal portion of the issues involved; and respondents are now engaged in taking rebuttal testimony which is not yet completed.

Admit that the bill of complaint alleges marking under Patent 635,280 and allege that petitioner has made no claim of want of knowledge or notice in proceedings prior to the decree of August 21, 1914, and did not raise the question of want of notice before the District Court or the master and that said want of notice, if any, has been waived and abandoned; and that there is conclusive proof in the record that the defendant had due knowledge and notice under the statute of Patent 621,324 and Patent 635,280 prior to infringement; that it wantonly infringed after notice and that there was no issue in said suit as to plaintiffs' marking under the said patents and consequently no necessity of taking proofs thereon.

Allege that after entry of decree of October 1, 1917, petitioner proceeded until March 9, 1918, with putting in testimony before the master in said Wisconsin case, and made no motion based on said decree until after it had completed its testimony, and that its proceedings therein and delay in filing its petition has been undue and amount to waiver and lack of diligence and laches, and bar it from raising any question thereon.

13. Allege said accounting is lawfully proceeding and that petitioner is estopped from denying same by said order of District Court of July 31, 1918.

14. Deny that at and before entry of said decree of October 1, 1917, in the Pennsylvania suit, or at any other time, all the facts necessary to a final decree upon the merits of Patent 621,324, and as to its validity, were of record in the allegations of the bill and admissions of the answer, or that there was merely left the determination of legal questions arising thereon. Deny that prior to the entry of said de-

ersee said petitioner presented a record before said court and motion for judgment in its favor upon the merits of Patent 621,324, or ever obtained any judgment thereon or on the merits of the said controversy; but allege that no trial or determination as to the merits or validity of said grant and monopoly as to Patent 621,324 was ever had in said Pennsylvania suit.

15. Request Court of Appeals to adjudge it has no jurisdiction of the petition of petitioner and refuse to take jurisdiction; and that it adjudge that its decree and that of the District Court in the Wisconsin suit holding the patent and monopoly right of respondent Christensen to be valid and infringed, and for an accounting of profits and damages, is a final decree and binding upon the parties; and that the proceedings of the District Court in the Pennsylvania suit are not binding on respondents as privies of the Westinghouse Traction Brake Company, and are not final and binding adjudications of the merits of the controversy between the parties to the Wisconsin suit; and that, if it thinks it necessary or proper, it make such order and direction as may be proper amending said decree of the District Court in the Wisconsin suit and the opinion and mandate of this Court of Appeals on appeal therefrom No. 2163, so that the same shall refer to the grant of patent monopoly right in Christensen without reference to any particular patent number, or, in the alternative, shall refer specifically to Patent 621,324, and that it make such further order and direction as may be fit and proper permitting said District Court for the Eastern District of Wisconsin to proceed and determine the accounting proceedings now pending before it in said action Equity No. 474. (Rec., 7-13.)

It will be observed of respondents' answer that while they deny the jurisdiction of the Court of Appeals, on our petition, to set aside or modify the decree in question because of its finality,—they themselves thereby asked that court to make such order and direction for

its modification as they specify; and thereby they admit such jurisdiction. (Rec., 12-13.)

A stipulation was entered into between the parties in the Court of Appeals as to matters of the record which might go into the record for the Circuit Court of Appeals in this proceeding. (Rec., 15-17.)

#### 4. IDENTITY OF ISSUES AND PRIVACY OF PARTIES IN THE WISCONSIN AND PENNSYLVANIA SUITS.

##### (a) *The Identity of Issues in the Wisconsin and Pennsylvania Suits.*

As above shown (*supra*, pp. 8, 9), the issues in the Wisconsin and Pennsylvania suits, as to Patents 621,324 and 635,280, were identical.

The issue as to the validity of Patent 635,280, which was decided by the Circuit Court of Appeals for the Third Circuit, was, as that court held (Rec., 107-108) presented in that case upon the pleadings,—the material facts on which the question of its invalidity turned, being alleged in the bill of complaint (Par. Third, Rec. 58-60), and admitted—and its invalidity asserted—by the answer. (Pars. 1 and 3, Rec., 67, 68.) Again these material facts upon which the District Court then might and ought,—and the Court of Appeals did,—determine the invalidity of said Patent No. 635,280, were stipulated by the parties. (See, *supra*, pp. 9-10, Rec. 87-88.) The defendant by motion in that suit sought determination of this question by the District Court (Rec., 100, 104-5.) For error in that court's ruling and action in denying defendant's motions and dismissing the suit without prejudice on plaintiff's motion, the Circuit Court of Appeals reversed its decree and they de-

terminated that issue and held Patent 635,280 to be invalid. (Rec., 108-109, 111-112.)

In the Wisconsin suit the same issue was presented by the pleadings for determination upon like allegations in the amended bill there (Par. Third, Rec., 19-20); and in the answer (Par. V, Rec., 27-28), as in the Pennsylvania suit.

In other words, the precise issue as to the validity of said second patent was presented in the same manner in each of said suits. The Wisconsin court by interlocutory decree found the patent valid; the Pennsylvania court by final decree adjudged said patent invalid.

(b) *Privity and Practical Identity of the Defendants in the Two Suits.*

There was uncontradicted testimony, taken on behalf of plaintiffs in the Pennsylvania case, and also given in the accounting in the Wisconsin case, that the Westinghouse Traction Brake Company, defendant in the Pennsylvania suit, has been, since July, 1911, the owner of all the capital stock of the petitioner here, National Brake and Electric Company, defendant in the Wisconsin suit. (Rec., 125-126, 135-136, 138.)

Such capital stock of petitioner was transferred to the Westinghouse Traction Brake Company in 1911 by its former owner the Westinghouse Air Brake Company, for the reason that the Traction Brake Company was engaged in the sale of traction brake apparatus, which was manufactured partly at Milwaukee and partly at Wilmerding, it being then contemplated that the Westinghouse Traction Brake and National Brake and Electric Companies might be thus practically consolidated so that the Traction Brake Company would have its own manufacturing plant. (Rec., 158-159.)

No formal consolidation of the Traction Brake Company, a New Jersey corporation (Rec., 158) and the petitioner, a Wisconsin corporation (Rec., 157), could have been contemplated. Petitioner manufactured for and sold to the Traction Brake Company. (Rec., 133-134, 137-138.)

The Traction Brake Company was organized in 1901 to carry on that part of the business of the Westinghouse Air Brake Company which was directly concerned with equipment for traction or electrically operated railways (Rec., 158); and the Westinghouse Air Brake Company has owned the stock of the Traction Brake Company since the organization of said last named company in 1901; and so owned the stock of both the Traction Brake and National Company when it transferred the capital stock of the National to the Traction Brake Company in 1911, which constituted a virtual consolidation. From that time the Traction Brake Company took and had charge of the sales department of the National Brake and Electric and provided it with money without interest, and for money advanced took new stock. (Rec., 128, 132, 136, 145-147, 163-164.)

Thus from a time prior to the filing of respondent's amended bill in the Wisconsin suit the Traction Brake Company owned all the capital stock of the National Company; financed it, and controlled the sales of its product.

Respondent Christensen testified in the Pennsylvania suit that the National Brake and Electric Company was a subsidiary of the Westinghouse Traction Brake Company, in that the defendant Westinghouse Company owned the stock of the said National Brake and Electric Company (Rec., 90, 96); and one of his counsel deposed that the depositions in the Wisconsin suit "show that the stock of the National Brake and Electric Company is owned and controlled by the same persons and concerns as is the stock of the defendant in the Pennsylvania suit,

or that both companies are subsidiaries of, or controlled by, the Westinghouse Air Brake Company." (Rec., 91-92.) These affidavits were made in January, 1917, shortly before the entry of the decretal order of the Pennsylvania District Court denying defendant's motion for judgment and granting plaintiff's motion to dismiss. (Rec., 100-104.) Shortly afterwards, on April 23rd, defendant Traction Brake Company presented its petition for a writ of certiorari.

So, we maintain, there can be no question that there was substantial identity and privity between petitioner here, National Brake and Electric Company, and defendant in the Pennsylvania suit, the Westinghouse Traction Brake Company; and that respondents showed they knew all about it when, on June 15, 1917, they submitted their case to the Circuit Court of Appeals for the Third Circuit for determination on the merits.

(c) *Christensen's Knowledge of Such Privity as Early as 1906.*

On March 26, 1906, the Westinghouse Air Brake Company purchased at trustees' sale from the trustee in bankruptcy of the National Electric Company at Milwaukee, the property of that company. The title was taken by the Wisconsin Brake and Electric Company which was organized by the Westinghouse interests under the laws of Wisconsin. (Rec., 156-157.) Upon such purchase and about March 30, 1906, Mr. H. H. Westinghouse and Mr. John F. Miller vice president of said Air Brake Company acting for such purchaser, met and conferred with respondent, Christensen, at Milwaukee and his counsel Mr. Bottum (who followed it up with correspondence), respecting the matter of an existing license from Christensen to the bankrupt company, which was among its assets so purchased, and the making of some arrangement whereby the purchaser and the successor of that company might continue to manu-

facture under Christensen's patents about 12 in number (Bottum's testimony, Rec., 122-123; Westinghouse, Rec., 150-153; Miller, id., 156-162; Master, id., 182-183.) Bottum, as he testified, then understood that Miller was connected with the Westinghouse Traction Brake Company—the Westinghouse Company “which looked after air brakes for electric cars.” (Rec., 122-123.) The Traction Brake Company, as we have shown, was that company (*supra*, p. 26, Rec., 158); and the statement in Bottum's letter to Mr. Westinghouse of April 5, 1906, following the conference, as to his understanding of the purpose of Mr. Westinghouse “that you intended to provide the combined orders obtained by your Pittsburgh and Milwaukee shops,” *i. e.*, the Westinghouse Traction Brake Company's shop at Pittsburgh and the Brake and Electric Company's shop at Milwaukee,—recognizes the identity of ownership of the two plants and companies.

Such negotiations resulted in agreements April 18, 1906, between Christensen and the Wisconsin Brake and Electric Company by which the Wisconsin Company transferred to Christensen all the licenses and rights in Christensen's patents acquired under the sale by the trustee in bankruptcy of said National Electric Co. and by which Christensen authorized the Wisconsin Company to dispose of complete product and use therefor material in process of manufacture in its possession; neither party to be estopped from asserting or denying validity of any of the patents. (Rec., 184-185.) A little later (June 20, 1906) the petitioner, National Brake and Electric Company having acquired the Wisconsin's property and rights and succeeded thereto,—Christensen agreed with petitioner as such successor to all the rights of said Wisconsin Brake & Electric Company, on some modifications of the agreement of April 18, 1906. (Rec., 183-188.) The Christensen knew of the Westinghouse ownership of the petitioner here from its inception.



From all this, we maintain that Christensen well knew in 1906, the privity between the petitioner here and the Westinghouse Companies,—Air Brake and the Traction Brake Companies, if that fact has any bearing upon the case.\*

\*If for any reason reference to the evidence is desired by this court, the evidence may be found at the following places in the record in testimony taken before June 15, 1917. We have arranged it by a subject index, the pages named being the *side* paging of the record;—in this varying from the notations elsewhere in this brief and argument:

#### EVIDENCE AS TO CHRISTENSEN'S KNOWLEDGE OF PRIVACY BEFORE DATE OF PENNSYLVANIA SUIT.

E. H. Bottum, Nov. 1, 1916, R. 137-140; R. 173-175.  
H. H. Westinghouse, R. 172-176.  
J. F. Miller, R. 185-186, Qs. 18-28.  
Christensen, R. 209, XQs. 76-77.  
Master's opinion, R. 215.  
License, Christensen to Wisconsin Brake & Electric Co., R. 218.  
License, Christensen to defendant, R. 219.  
Assignment, defendant to Christensen, R. 220.

#### EVIDENCE AS TO INTERRELATIONSHIP AND CONTROL.

E. H. Dewson, May, 1916, R. 131-136, Qs. 128-150.  
R. P. Tell, Oct. 25, 1916, R. 141, Qs. 20-21.  
R. P. Tell, Oct. 30, 1916, R. 149-150, Qs. 621-627.  
R. P. Tell, Oct. 31, 1916, R. 151, Qs. 658-659; R. 152, Qs. 665-677-679.  
R. P. Tell, Sep. 6, 1916, R. 153.  
R. P. Tell, Mar. 27, 1917, R. 163.  
W. K. Boyle, Mar. 1917, R. 188-191.

#### STOCK OWNERSHIP AND CONTROL.

R. P. Tell, Oct. 25, 1916, R. 141, Qs. 23-27.  
R. P. Tell, Sep. 6, 1916, R. 154.  
Spooner, plaintiffs' counsel, Sep. 6, 1916, R. 154.  
R. P. Tell, Mar. 26, 1916, R. 157.

#### INTERLOCKING DIRECTORATES.

R. P. Tell, Oct. 27, 1916, R. 145, Qs. 322-341.  
R. P. Tell, Oct. 30, 1916, R. 147, Qs. 457, 361; R. 151, Q. 664.

#### PAYMENTS TO COUNSEL AND OFFICERS.

R. P. Tell, Oct. 27, 1916, R. 142-144, Qs. 228, 256; R. 146, Qs. 442-456.

#### FINANCIAL SUPPORT.

R. P. Tell, Oct. 27, 1916, R. 144, Qs. 311-317; Qs. 319-321.  
R. P. Tell, Oct. 30, 1916, R. 151, Qs. 640-642.  
R. P. Tell, Sep. 6, 1916, R. 155.  
R. P. Tell, Mar. 26, 1917, R. 158-160, 162-163.  
W. K. Boyle, Mar. 27th and Apr. 6, 1917, R. 192-200.  
J. A. Spilbey, Apr. 6, 1917, R. 201-203.

#### IDENTITY OF SUBJECT MATTER AND ISSUES.

R. P. Tell, Sep. 22, 1916, R. 155-156.

## 5. STATEMENT OF QUESTIONS INVOLVED.

(a) As to the jurisdiction and power of the Circuit Court of Appeals for the Seventh Circuit to entertain the petition and application here in question. (Brief, *infra*, pp. 38-44.)

This question, we conceive, was first "at the threshold." The Court of Appeals entertained the petition, and sustained its jurisdiction, but denied the petition on the ground that the decree of the District Court of Wisconsin of August 21, 1914, adjudging Patent 635,280 to be valid was final upon that question—"final in essence",—and not interlocutory.

(b) Was the said decree of August 21, 1914, finally held by the Court of Appeals, or was it interlocutory and within the control of that court? (Brief, *infra*, pp. 44-54.)

(c) Was not the later final decree of October 1, 1915, in the District Court at Pittsburgh the first final decree upon that issue as to the validity of said second patent? (Brief, *infra*, pp. 55-56.)

(d) Is not the fact that the parties in the Pennsylvania suit agreed at the bar of the Court of Appeals for the Third Circuit "that the merits of the controversy should be heard in reference to the first two patents, Nos. 621,324 and 635,280, in that court,—such hearing there on the merits being accordingly had,—conclusive as between the parties there and their privies, that the merits as to the validity of the second patent had not already been finally adjudged in the Wisconsin case or in any case or court between the parties or their privies

Or, did not respondents—by agreeing at the bar of the Circuit Court of Appeals for the Third Circuit so to submit and by submitting the merits of the controversy to

that court,—open the decrees and orders in the Wisconsin suit adjudging and affirming the validity of the second patent,—even if they were final and not interlocutory decrees and orders? (Brief, *infra*, pp. 55-56.)

(e) Can the complainants in that case, after so submitting the question of the validity of said second patent to the judgment of the Court of Appeals in the Third Circuit and taking its judgment and mandate and the final decree of the District Court carrying out such mandate, be permitted to assert, as against such judgments, that the prior decrees in the Wisconsin suit are final adjudications? (Brief, *infra*, pp. 55-57.)

(f) The preceding questions assume privity. Were the defendants in the two suits in privity and was that fact of privity known to the respondents, when they submitted the question as to the validity of Patent 635,280 to the judgment of the Circuit Court of Appeals for the Third Circuit? (Brief, *infra*, pp. 58-62.)

(g) Should not the Circuit Court of Appeals at Chicago have recalled its own mandate and set aside its affirming order of October 5, 1915 (Rec., 50); and directed the District Court to vacate its decree of August 21, 1914, adjudging said second patent to be valid and infringed and for an accounting thereunder, and to enter a decree finding and adjudging said patent to be invalid? (Brief, *infra*, pp. 67-68.)

(h) What further judgment, order or direction, if any, for the disposition of the case, the premises considered, should the Circuit Court of Appeals have made or given, or should now be made or given?

Should the case be now finally disposed of and the suit be dismissed? Or, should the case be remanded for fur-

ther hearing or proceedings in the alternative case presented on the amended bill?

(i) As to what order or direction in the premises this Court should make.

## III.

## SPECIFICATION OF ERRORS.

1. The Circuit Court of Appeals erred in denying the petition of the National Brake and Electric Company, the petitioner here, and in not granting the same.

2. The Court of Appeals erred in holding and ruling that the decree of the District Court for the Eastern District of Wisconsin, of August 21, 1914, here in question (Rec., 39-40), was a final decree and in not holding and ruling that such decree was interlocutory only and not final.

3. The Court of Appeals erred in not holding and ruling that its own order affirming the said decree of the said District Court upon appeal (Rec., 50), was an interlocutory decree.

4. The Court of Appeals erred in not sustaining said petition of this petitioner and in not finding and ruling thereon that the petitioner, National Brake and Electric Company was privy to the said suit and the final decree of the District Court for the Western District of Pennsylvania of October 1, 1917, in said suit of Christensen and *Allis-Chalmers Co. v. Westinghouse Traction Brake Company*, and in privity with the said last named company with respect to the said decree last mentioned and the suit and proceedings in which said decree was made and entered, and entitled herein to the benefit of such final decree adjudging that the said second patent was invalid.

5. The Circuit Court of Appeals erred in not sustaining said petition of this petitioner and in not holding and ruling that the said decision and judgment of the Circuit Court of Appeals for the Third Circuit, upon the said issue and question as to the validity of said second

patent, which was so submitted to that court for decision upon the merits by the agreement of the parties, and said final decree of the District Court of the United States for the Western District of Pennsylvania in pursuance thereof and of the mandate issued thereon were a final adjudication that the said Letters Patent No. 635,280 were invalid and void and *res judicata* thereof in said Wisconsin suit, notwithstanding the said earlier decree of said District Court in Wisconsin and affirmance thereof by said Court of Appeals at Chicago; and in not giving due effect to said *res judicata* by proper directions to said District Court in Wisconsin or otherwise.

6. The Court of Appeals erred in not holding the said final decree in said Pennsylvania suit so to be *res judicata* in said Wisconsin suit and in not thereon recalling its own mandate and vacating and setting aside its own order of October 5, 1915, in said case therein. No. 2163, of *National Brake and Electric Co. v. Christensen and Allis-Chalmers Co.*, affirming the said interlocutory decree of said District Court of August 21, 1914, in such Wisconsin suit; and in not thereupon reversing the said decree of said District Court last mentioned, or directing said District Court to vacate and set aside its said order.

7. The Court of Appeals erred in not directing the said District Court for the Eastern District of Wisconsin to find and adjudge the said Patent 635,280 to be invalid and to set aside the said accounting therein proceeding under said patent.

8. The Court of Appeals erred in not recognizing and giving effect to said final decree in said Pennsylvania suit as *res judicata* as to the invalidity of said patent and in not thereon dismissing or directing said Dis-

trict Court to dismiss the said bill of complaint therein for want of equity.

9. In case this court rules that the duty of the Court of Appeals upon said petition of this petitioner, was to order or direct the District Court to decree to this petitioner, under the prayer of its petition, other or different relief, than that herein specifically asked, or to remand said cause for further hearing upon undetermined issues or for other proceedings, then, in the alternative, this petitioner says that the Circuit Court of Appeals erred in not so ruling and ordering.

## IV.

## BRIEF OF THE ARGUMENT.

1. THIS APPLICATION TO THE CIRCUIT COURT OF APPEALS WAS PROPER, AND ITS JURISDICTION IN THE PREMISES ☐ WILL ESTABLISHED.

(a) *Respondents admit and invoke the Jurisdiction of the Circuit Court of Appeals, the existence of which Jurisdiction they deny.*

In their answer to our petition in the Court of Appeals here in question, the respondents pray that court to make such order or direction as may be fit and proper "amending the aforesaid decree of the United States District Court for the Eastern District of Wisconsin of August 21, 1914, in said suit Equity No. 474 and the opinion and mandate of this court on appeal therefrom No. 2163," etc. (Rec., 13.)

(b) *The Propriety of this Application to the Court of Appeals and the Jurisdiction of that Court to entertain our Motion at that stage of the Proceedings is, as we conceive, well grounded in the authorities.*

Notably such a case is *In re Potts*, 166 U. S., 263, taken in connection with the history of the case as shown in *Potts v. Creager*, 44 Fed., 680; *Potts v. Creager*, 155 U. S., 597; *Potts v. Creager*, 71 Fed., 574, and 77 Fed. 454, and 97 Fed., 78.

The contention in the answer of the respondents in the Court of Appeals (Rec., 10) that the ruling of the District Court denying our motion there (Rec., 17) was *res judicata* is obviously unsound; as are their contentions (1) that our action in applying to that court was



an election of remedies, and estops us from denying the validity of its decision; and (2) that the Court of Appeals was without power or jurisdiction to entertain such motion and petition. (Rec., 10-11.)

The ground of objection, which was made by the plaintiff-respondents, to our motion in the District Court—that that court was without jurisdiction to entertain said motion—may have been well taken, for the reason that the District Court could not set aside its affirmed decree without authority of the Court of Appeals which had affirmed it. *In re Potts*, 166 U. S., 263; *In re Gamewell Co.* (C. C. A., 1st Cir.), 73 Fed., 908, and cases there cited.

But the contention that an application for certain action or relief to a court without any power to grant the relief works an "estoppel" from thereafter applying to a court with such power, is without basis in authority or reason.

In the *Gamewell* case, *supra*, in like situation, the defendants had applied to the Circuit Court before applying to the Circuit Court of Appeals, but the Court of Appeals entertained the application there.

Assuming, as we here for this purpose now do, that the decree of the District Court of August 21, 1914, in the Wisconsin suit, was interlocutory and not final, and that its affirmance by the Court of Appeals did not make such decree final,—we submit that our application to the Court of Appeals was the proper practice. In the *Potts* case, 166 U. S., 263, this court held that the Circuit Court had no authority, after the case was remanded from this court to that court with directions to dismiss the bill, to deviate "without express leave of this court" from the directions of this court, and therefore could not, without such leave, entertain a petition for rehearing for newly discovered evidence; but said that if application was made

to this court for leave to apply to the Circuit Court within twenty days, for a rehearing in the case (the relief sought), it would be considered. The later report of the same case in *Potts v. Creager*, 97 Fed., 78, shows that application to this court was made and was granted, and that such permitted application was made to the lower court for a rehearing and was there granted. We submit that that case is analogous to ours so far as the proper method of procedure goes.

Indeed, as we shall show later (*infra*, pp. 45-50) the *Potts* case is a direct authority that the decree of August 21, 1914, was an interlocutory decree only and not a final decree.

We also cite:

*Southard v. Russell*, 16 How., 547, 570-571.

*Kingsbury v. Buckner*, 134 U. S., 650, 671.

*U. S. v. Knight's Admr.*, 1 Black, 488, 489.

*Franklin Bank v. Taylor* (C. C. A., 7th Cir.), 53 Fed., 854, 866.

*Marden v. Campbell Co.* (C. C. A., 1st Cir.), 67 id., 809.

*Greene v. United Shoe Mach. Co.* (C. C. A., 1st Cir.), 124 Fed., 961.

*Seymour v. White Co.* (C. C. A., 7th Cir.), 92 Fed., 115.

*Firestone Co. v. Sieberling* (C. C. A., 6th Cir.), 245 id., 937.

In *McClellan v. Carland*, 217 U. S., 268, and *Barber Co. v. Morris*, 132 Fed., 945, this court and the Circuit Court of Appeals respectively held, as the principle governing the decisions, that notwithstanding views which had sometimes been expressed to the contrary, the appellate jurisdiction given to these courts included the right to issue directions and writs in aid of that jurisdiction, in

cases where such jurisdiction exists, although it had not yet been invoked, to the end that justice may be more speedily done.

We were in the Court of Appeals, and are here, asking the intervention of the court in the interest of a speedy ending of an expensive and wasteful litigation, in which we conceive we are entitled to a decision recognizing and giving effect to a final adjudication upon the merits in another jurisdiction,—relief to which we might not be entitled to ask in the District Court so long as previous interlocutory directions of the Circuit Court of Appeals at Chicago, made prior to such final adjudication, are unmodified.

(c) *The Circuit Court of Appeals here entertained our application and decided it, and while not advertng to the point made by the respondents in their answer, that the Court of Appeals had no power or jurisdiction to entertain such motion and petition (Rec., 10-11), its action in entertaining it was in effect to overrule the respondents' point and to sustain its own jurisdiction; and if our application there was an appeal to its discretion, that court exercised its discretion in our favor.*

In the case at bar, an expensive accounting proceeding is going on before the master under Letters Patent 635,280, as directed by the interlocutory decree of the Wisconsin District Court, although such patent has been adjudged to be void by the final decree of another court. Clearly we are entitled to assert at some point of the Wisconsin litigation (in case the decrees and orders there are interlocutory) the *res judicata* and bar of the Pennsylvania final decree adjudging such Patent 635,280 to be void. In this proceeding, as we have said, we have asked the intervention of the Court of Appeals to whose direction the proceedings in the District Court in the

Wisconsin suit were subject in the interest of a speedy ending of this expensive and wasteful litigation because of the alleged infringement of a void patent. The whole situation was before the Court of Appeals, and we submit the matter should have been there and should be now disposed of in the interest of speedy justice rather than await an appeal from the final decree of the District Court after the return of a master's accounting. Taking of such account under Patent 635,280 would be entirely useless if the recognition and effect to which, as we maintain, it is entitled, must at some time and in some proper form of proceeding, be given to the final decree in the Pennsylvania suit.

(d) *The Case is within the Ruling of this Court in the Hart Steel Case.*

That it was not a matter of discretion but was the proper function and duty of the Circuit Court of Appeals to consider and determine, upon our application, the question of the effect as *res judicata* of the Pennsylvania decree, without remitting that question to the District Court, was, as we maintain, covered and substantially decided by this court in the case of *Hart Steel Company v. Railroad Supply Co.*, 244 U. S., 294.

In that case, this court said:

"The question presented to the Circuit Court of Appeals for the Seventh Circuit by the petitioner's motion to affirm was whether or not the decree of the Circuit Court of Appeals for the Sixth Circuit was a final determination of the issues presented in the case pending and not argued in the Circuit Court of Appeals for the Seventh Circuit so as to be *res judicata* and binding on that court because of the identity of the subject matter and the claims and because of the privity of the parties."

The question presented to the same Circuit Court of

Appeals by the petitioner's motion here was the same, *mutatis mutandis*, as that presented in the *Hart case*, viz.: Whether or not a decree of the Circuit Court of Appeals for the Third Circuit was a final determination of the issues presented in the case pending in the District Court for the Eastern District of Wisconsin, upon an accounting following the entry of the interlocutory decree affirmed by the Circuit Court of Appeals.

In the *Hart case* this court looked at the record and found therefrom (and ruled that it was the duty of the Court of Appeals at Chicago to find), the facts of (1) the final determination by the Court of Appeals for the Sixth Circuit in the Elyria case (2) the identity of issues in that case and the *Hart case* and (3) the privity between defendants in the two cases.

The only difference to be found between that case and the case at bar is, that the *Hart case* was pending in the Court of Appeals undecided when the *res judicata* decree in the Sixth Circuit was presented by motion to affirm,—while in the instant case, the Court of Appeals had affirmed the interlocutory order of the District Court, and the case was pending in the District Court on the accounting before the master.

But the decretal order of the District Court was no less interlocutory after the Circuit Court of Appeals refused to reverse and affirmed it than it was before.

Obviously, the respondents were bound to such a consideration of it by the court herein, by reason of their consent to the hearing in the Circuit Court of Appeals for the Third Circuit in the certiorari proceedings there. (Rec., 8-9, 109; *supra*, pp. 13, 19-20.) We shall later give further consideration to that question. (*Infra*, pp. 51-53.)

The Court of Appeals here, however, did not decide

that it did not have the power or that it was not its duty to entertain our application for relief, if the District Court decree in question were interlocutory; but mere that the decree of the District Court of September 2, 1914, was final and *res judicata* and not interlocutory.

2. THE DECREE IN THE MILWAUKEE SUIT SUSTAINING THE SECOND PATENT NO. 635,280, WAS INTERLOCUTORY ONLY AND NOT FINAL.

(a) *The Statute and this Court have so designated such Decrees.*

The statute—Sec. 129 of the Judicial Code,—which alone authorized the appeal from that decree, characterizes the decree as interlocutory, and provides for such appeal only when and because the decree is interlocutory. In *Smith v. Vulcan Iron Works*, 165 U. S., 518, and many other cases, this court has so designated it.

If it were a final decree, an appeal would lie under Section 128 of the Judicial Code which covers all final decisions. It is because such a decree is not final that this court long ago and uniformly has ruled it was not appealable prior to the enactment of Section 7 of the Circuit Court of Appeals Act, now embodied in Section 1 of the Judicial Code.

It is settled by many decisions of this court that the decree of the District Court here in question is an interlocutory decree and not a final decree.

*Barnard v. Gibson*, 7 How., 650, 657.

*Humiston v. Stainthorp*, 2 Wall., 106, 110.

*Winthrop Iron Co. v. Meeker*, 109 U. S., 180.

*Cornely v. Markwald*, 131 U. S., 159.

*Keystone Iron Co. v. Martin*, 132 U. S., 91.

*St. German v. Brunswick*, 135 U. S., 227.

*Yale Lock Co. v. Berkshire Bank*, 135 U. S., 342.

*McCreary v. Penn. Canal Co.*, 141 U. S., 459.

*Magowan v. New York Belting Co.*, 141 U. S., 332, 337.

*McGourkey v. Toledo & O. Ry.*, 146 U. S., 536.

*Ex parte National Enameling Co.*, 201 U. S., 156.

This rule was so settled, not merely "for the purposes of appeal or writ of error"; or as a question of "procedural law,"—as the Court of Appeals conceives (Rec., 257, 258),—but of "substantive law." This is shown by the court's ruling in *McGourkey v. Toledo & O. Ry.*, 146 U. S., 536, 541-551, which did not involve a question of appealability, but (as here) the question as to the *finality* of a decree as a determination of the rights of the parties, "which it was not in the power of the court at a subsequent term to disturb." The court, in its opinion by Mr. Justice Brown, said (*italics ours*):

"(1) We are confronted upon the threshold of the case with the proposition that the decree of June 9, 1885, ordering this property to be turned over by the receiver to the petitioner, was a final decree, which it was not in the power of the court at a subsequent term to disturb, and hence that the court was estopped to render the decree of February 4, 1889, from which this appeal was taken, at least in so far as it assumed to upset the title of *McGourkey*."

Probably no question of equity has been the subject of more frequent discussion in this court than the finality of decrees. It has usually arisen upon appeals taken from decrees claimed to be interlocutory, but it has occasionally happened that the power of the court to set aside such a decree at a subsequent term has been the subject of dispute. The cases, it must be conceded, are not altogether harmonious. Upon the one hand it is clear that a decree is final, though the case be referred to a master to execute the decree by a sale of property or otherwise, as in the case of the foreclosure of a mortgage. *Ray v. Law*, 3 Cranch, 179; *Whiting v. Bank of the United*

*States*, 13 Pet. 6; *Bronson v. Railroad Co.*, 2 Black, 524. If, however, the decree of foreclosure and sale leaves the amount due upon the debt to be determined, and the property to be sold ascertained and defined, it is not final. *Railroad Co. v. Swasey*, 23 Wall. 405; *Grant v. Phoenix Insurance Co.*, 106 U. S. 429. A like result follows if it merely determines the validity of the mortgage, and, without ordering a sale, directs the case to stand continued for further decree upon the coming in of the master's report. *Burlington, Cedar Rapids, etc., Railway v. Simmons*, 123 U. S. 52; *Parsons v. Robinson*, 122 U. S. 112.

*It is equally well settled that a decree in admiralty determining the question of liability for a collision or other tort (The Palmyra, 10 Wheat. 502; Chace v. Vasquez, 11 Wheat. 429; Mordecai v. Lindsey (The Mary Eddy), 19 How. 199), or in equity establishing the validity of a patent and referring the case to a master to compute and report the damages is interlocutory merely. Barnard v. Gibson, 7 How. 650; Humiston v. Stainthorp, 2 Wall. 106.*

It may be said in general that if the court make a decree fixing the rights and liabilities of the parties, and thereupon refers the case to a master for a ministerial purpose only, and no further proceedings in court are contemplated, the decree is final; but if it refer the case to him as a subordinate court and for a judicial purpose, as to state an account between the parties, upon which a further decree is to be entered, the decree is not final. *Craighead v. Wilson*, 18 How. 199; *Beebe v. Russell*, 19 How. 283."

The case at bar was not merely a suit for an injunction, but before the prayer for the injunction, the amended bill prays for an account and recovery of profits and damages, as follows:

"(5) That the defendant may be decreed to account for and pay to the plaintiffs the profit or income unlawfully and wrongfully derived from the violation of the plaintiffs' said rights; and, that upon entering the decree against defendant for infringement, the court may proceed to assess or cause to be assessed under its direction, in addition to the



unlawful profits or income to be accounted for by the defendant as aforesaid, the damages plaintiffs have sustained by reason of such infringement and that the court may increase the actual damages so assessed to a sum equal to three times the amount of such assessment, under the circumstances of the unlawful and unjust infringement by the defendant as hereinbefore set forth." (Rec., 25.)

It is submitted that no decree could be final until this—the main object of the suit—should be thereby determined. At the time of filing the amended bill, over fourteen and a half years of the period of the alleged patent had expired, and at the entry of the decree of August 21, 1914, for an injunction and accounting (Rec., 40), only one year and seven months were left of said period;—so that the decree for recovery of profits and damages for a period reaching back of the institution of the suit in December, 1906 (Rec., 22-23),—and not an injunction against infringement,—was the important end.

(b) *The Ruling of this Court in the Potts Case is a Direct Authority that the Decree of the District Court at Milwaukee was Interlocutory and not Final.*

In the *Potts case*, at its October term, 1894, this court,—upon appeal from a decree of the Circuit Court holding a patent void and dismissing the bill for infringement,—held the patent to be valid and reversed the decree of the lower court and remanded the case for further proceedings in conformity with the opinion of the Supreme Court, 155 U. S., 597.

At the February term, 1895, of the Circuit Court, the mandate of the Supreme Court was received; the patent was held valid; and as the report in the Circuit Court (71 Fed., 574) says:

"On the coming down of the mandate this court

entered an interlocutory decree granting an injunction and accounting."

That "interlocutory decree" was entered on February 28, 1895, at the February term, 1895, of that court. It was the same character of decree as was the Wisconsin decree here in question. It was a final decree if the Wisconsin decree here was final.

And if it was a final decree, then the later action of this court in March or April, 1897 (hereinafter referred to), granting leave to the Circuit Court to entertain an application for a rehearing on newly discovered evidence, and the action of the Circuit Court in entertaining such application—all at so late a period—were beyond the court's jurisdiction.

The master to whom the accounting had been referred, filed his report and account of profits on July 16, 1895. No action was taken by the court on that report. (See 166 U. S., 263.)

There was a term of the Circuit Court beginning October 1, 1895; and at that term on November 29, 1895, the defendants filed a petition for leave to file a supplemental bill to bring in newly discovered evidence; and for a rehearing.

On the ground expressly that the decree for the injunction and account was an interlocutory, not a final decree, the Circuit Court at that term (January 15, 1896) held that it was "not a case for a supplemental bill," but held over objection that *as it was an interlocutory decree*, a petition for rehearing should be allowed saying:

"The opinion of the Supreme Court will of course be recognized *as the law of the case* and unless the defendants upon the matters suggested in the application for rehearing, can make a case radically

different from that presented to the Supreme Court the rehearing will not avail." (71 Fed., 574.)

There were terms of the Circuit Court beginning February 4, 1896, April 7, 1896, and October 6, 1896.

At the October term, 1896 (on November 23, 1896), the Circuit Court handed down an opinion holding (on the new evidence) the patents invalid, and on December 21, 1896, entered a new decree dismissing the bill. (77 Fed., 454, 166 U. S., 263.)

By an original proceeding in the U. S. Supreme Court at its October term, 1896 (on January 4, 1897), the complainants applied to the Supreme Court for a mandamus on Judge Sage of the Circuit Court commanding him "to execute the mandate of the Supreme Court, and to set aside orders made by him after receiving the mandate and inconsistent therewith,"—referring to the mandate containing the decision reported in 155 U. S., 597.

This petition was argued in the Supreme Court March 1, 1897, and decided March 15, 1897. (166 U. S., 263.)

The Supreme Court said:

"Upon the question whether an application for leave to file a petition for a rehearing in the Circuit Court could and should be entertained by *this* court at the present stage of the case, no opinion is expressed, because no such application has been made. Unless such an application shall be made to *this* court within twenty days and shall upon consideration be granted by this court, an order will be entered that the writ of mandamus issue as prayed for."

The Supreme Court said elsewhere in its opinion:

"The case \* \* \* was originally heard in the Circuit Court, not merely upon a question of pleading, but upon the whole merits. That court at a hearing upon pleadings and proofs involving the questions of the novelty of the alleged invention, and of its infringement by the defendants, entered a

final decree dismissing the bill. Upon the appeal from that decree, both these questions were presented to and considered by this court, and were by it decided in the plaintiff's favor. Its decision of those questions in that way was the ground of its opinion, decree and mandate, reversing the decree of the Circuit Court, dismissing the bill and remanding the cause to that court for further proceedings in conformity with the opinion of this court. *The decision and decree of this court did not amount in deed technically speaking, to a final judgment, because the matter of accounting still remained to be disposed of. But they constituted an adjudication by this court of all questions whether of law or fact involved in the conclusion that the letters patent of the plaintiff were valid and had been infringed.* \* \* \* When the merits of a case have been once decided by this court on appeal, the Circuit Court has no authority, *without the express leave of this court*, to grant a new trial, a rehearing or a review or to permit new defences on the merits to be introduced by amendment of the answer."

We learn from an opinion of the Circuit Court of Appeals for the Sixth Circuit, filed October 23, 1899 (97 Fed., 78), that "thereupon" the Circuit Court restored the decree of February 26, 1895,

"which it had without authority set aside, and the defendants applied to the Supreme Court for leave to file a petition for rehearing on the same grounds already irregularly presented to the Circuit Court. Leave was granted. A petition for rehearing was filed in the Circuit Court, and the Circuit Court Judge Sage presiding, upon a rehearing, set aside the former decree and again dismissed the bill."

(It was this second decree dismissing the bill upon the petition for rehearing, from which the appeal was taken to the Circuit Court of Appeals of the Sixth Circuit, which was decided by that court, October 23, 1899 and reported in 97 Fed., 78. The Circuit Court of

Appeals affirmed the decree in part and reversed it in part.)

It is impossible to ascertain from the reports exactly when these last steps in the Circuit Court were taken, because there is no report of them except in the opinion of the Circuit Court of Appeals before quoted.

But by that opinion it appears that the decree of February 26, 1895, was entered by the Circuit Court *before* the leave was obtained from the Supreme Court to file a petition for rehearing, and as that leave had to be applied for according to the declaration of the Supreme Court within 20 days from March 15, 1897,—we know that the decree was restored in the Circuit Court in its term beginning February 2, 1897, and that the Supreme Court granted the leave to entertain the petition for rehearing in the October term, 1896, of the Circuit Court, and within 20 days after March 15, 1897.

When the decree was again set aside by the Circuit Court, and the bill dismissed for the second time, we do not know; but the appeal taken from that dismissal was not decided by the Circuit Court of Appeals until October 23, 1899, and we may safely assume that the case was not and could not have been reheard in the Circuit Court *before* the term of said Circuit Court beginning April 6, 1897.

Nor could the second petition for rehearing have been filed before the term beginning February 2, 1897.

It will be noted therefore that the Supreme Court on some date between March 15, 1897, and April 4, 1897, gave leave to the defendants to file a petition for rehearing on a decree which was entered in the Circuit Court February 26, 1895, and was practically required by the Supreme Court by order of January 7, 1895.

There was one whole annual term of the Supreme Court intervening between the one in which it ordered the decree in the Circuit Court, and the one in which it granted leave to file a petition for rehearing in said Circuit Court.

And there were at least five complete terms of the Circuit Court, to wit, those beginning,

April 9, 1895,  
October 1, 1895,  
February 4, 1896,  
April 7, 1896,  
and October 6, 1896,

which had passed after its decree of February 26, 1895, before the properly presented petition for a rehearing thereon was filed and allowed by it.

These proceedings were sanctioned by the Supreme Court. Had it considered the decree of the Circuit Court of February 26, 1895, a final one, it would not and could not have so sanctioned them for the equity rule then in force concerning rehearings was this:

"RULE 88.

\*     \*     \*     \*

No rehearing shall be granted after the term at which the final decree of the court shall have been entered and recorded, if an appeal lies to the Supreme Court. But if no appeal lies, the petition may be admitted at any time before the end of the next term of the court in the discretion of the court."

(Daniels Chancery Pleading and Practice, Vol. 3, page 2315, star page 2397.)

It follows that the Supreme Court decided that a decree ordering an injunction and reserving an accounting, was in fact an interlocutory decree, not only for purposes of appeal, but as an adjudication of rights.

The part of Judge Baker's opinion (Rec., 262), commenting on the action of the Supreme Court reported

166 U. S., 263, ignores and perhaps was written without knowledge of the subsequent leave granted to defendants and the subsequent history of the case.

(c) *With great respect, we submit that the Circuit Court of Appeals here has confused the rule of decision or practice, known as "the Law of the Case," with the Rule of Law as to the finality of the Decrees herein as res judicata so as to be beyond the control or power of the Court.*

In *Messinger v. Anderson*, 225 U. S., 436, 444, this court said,—italics being ours:

"The phrase, law of the case, as applied to the effect of previous orders on the later action of the court rendering them in the same case, merely expresses the practice of courts generally to refuse to reopen what has been decided, *not a limit to their power*. *King v. West Virginia*, 216 U. S. 92, 100; *Remington v. Central Pac. Railroad Co.*, 198 U. S. 95, 99, 100; *Great Western Telegraph v. Barnham*, 162 U. S. 329, 343. Of course, this court, at least, is free when the case comes here. *Panama R. R. v. Napier Ship Co.*, 166 U. S. 280; *United States v. Denver & Rio Grande R. R.*, 191 U. S. 84."

The Circuit Court of Appeals here, we submit, bases its authority for holding that the decree of August 21, 1914 (Rec., 39-40), was final "in essence" and *res judicata* upon cases applying the rule as to the law of the case. It was that rule as to the law of the case that was referred to by this court in its opinion in *Heike v. United States*, 217 U. S., 423, 430,—to which the Court of Appeals refers and from which it quotes (Rec., 257-258),—where this court said:

"It is true in a certain sense an order concerning a controlling question of law made in a case, is as to that question final," and that "many inter-

locutory rulings and orders effectively dispose of some matters in controversy."

The *Potts* cases, 155 U. S., 597, and 166 U. S., 263, illustrate

(1) The application there (166 U. S., 263) of "the law of the case,"—in holding that the Circuit Court could not, *without leave of this court*, so far deviate from the directions of this court given on the former appeal (155 U. S., 597), as to allow a petition for a rehearing after the Circuit Court had entered a decree sustaining the patent there in question and referring the case to a master for an accounting of profits and damages; and

(2) That it was within the power of this court in the spring of 1897 (more than two years after the entry of such decree in the Circuit Court), to give such leave, and within the power of the Circuit Court, with such leave, to allow a rehearing,—all of which would have been beyond the power of either court, if such decree were a final decree, and not an interlocutory decree which was within the power of the court to set aside; and

(3) That the decree here in question, of August 31, 1914,—which is in character like the decree which was entered in the *Potts* case upon the mandate of this court (except that the decree was not entered in accordance with any such mandate), is interlocutory and within (and not beyond) the court's power to set aside, and to rehear because of the event subsequently occurring, viz.: the final decree in the Pennsylvania suit adjudging the invalidity of Patent 635,280.



3. THE DECISION OF THE CIRCUIT COURT OF APPEALS FOR THE THIRD CIRCUIT AND THE DECREE ENTERED IN PURSUANCE OF ITS MANDATE BY THE DISTRICT COURT IN THE PENNSYLVANIA SUIT, CONSTITUTE THE FIRST FINAL DECISION UPON THE MERITS AS TO THE VALIDITY OF PATENT NO. 635,280.

RESPONDENTS ARE ESTOPPED BY THEIR CONSENT AND ACTION IN BRINGING IT ABOUT, FROM ASSERTING THE CONTRARY AND FROM ASSERTING THE WISCONSIN DECREE TO BE FINAL OR RES JUDICATA OR AN ESTOPPEL, AS AGAINST THE PENNSYLVANIA DECREE.

In *Metropolitan Water Co. v. Kaw Valley District*, 223 U. S., 519, this court held that where the Circuit Court of Appeals has authority to make a ruling which finally disposes of the case, and the defeated party does not successfully prosecute either the certification of the question of jurisdiction to this court, or a writ of certiorari from this court, the judgment of the Circuit Court of Appeals remains conclusive upon the parties and binding upon the District Court and any other court to which the case can be taken.

Admittedly, the Circuit Court of Appeals for the Third Circuit had authority to make a ruling which finally disposed of the issue and question as to the validity of the second patent, No. 635,280. It will be borne in mind that on the day set for the argument of the application in that court for a writ of certiorari to the District Court in the Pennsylvania suit, "Counsel for both sides appeared, and, after discussing the point whether the remedy sought to be invoked was appropriate, they agreed at bar that the merits of the controversy should be heard in reference to the first two patents, and accordingly argument was had thereon. Informally,

therefore,"—says the Circuit Court of Appeals in its opinion—"but with complete effect, the case is before us as if a certiorari had been actually issued and the record returned in obedience thereto. This agreement releases us from considering any preliminary question concerning the procedure, and we turn at once to the dispute concerning the respective validity of the first two patents." (Rec., 109.)

The answer of the respondents to our instant petition refers to the proceedings in the Circuit Court of Appeals for the Third Circuit, following the filing by petitioner of its petition for certiorari or mandamus, and alleges,—italics being ours:

"That thereafter such proceedings were had and taken therein that *by consent of the parties* and not otherwise the said Circuit Court of Appeals for the Third Circuit determined on July 3, 1917, that as between said patents numbers, respectively, 621,320 and 635,280, and in so far as the allegations as to the issuance thereof were contained in the bill and answer in said suit in the Western District of Pennsylvania, both could not be valid evidence of a monopoly grant of respondent Christensen, and that the first of them was valid and the second of them void." (Rec., 9.)

While we deny that the court held the first patent valid (see Rec., 112), the answer here admits (and that is the immediate point for which we refer to it) that the Circuit Court of Appeals had authority to make the ruling upon the issue in question as to the validity of Patent No. 635,280, which finally disposed of the case. So that as we submit, the ruling of this court above referred to in case of *Metropolitan Water Co. v. Kaw Valley District*, *supra*, has direct application to and fits the case at bar.

We maintain here, therefore, that whatever otherwise the nature of the decree of August 21, 1914, in the *W.*

consin suit, which was affirmed by the Circuit Court of Appeals, might be considered to be,—the issue and question as to the validity of said second patent was so opened up and submitted for decision by the consent of the respondents in the Circuit Court of Appeals for the Third Circuit that the power of the Circuit Court of Appeals in the Pennsylvania suit, and the effect of its determination, could not be impaired or affected by any claim of estoppel or *res judicata* on the part of the defendants in or by the previous decree or decision in the Wisconsin suit. Respondents' solemn consent meant that there was no such estoppel or *res judicata*. There could be none, if the Court of Appeals were given the right to determine the issue of validity on the merits upon the record there.

In other words—assuming for the purpose of this question under consideration, that the petitioner here (and its privies) were estopped by the decree in the Wisconsin suit, because it was a final decree, or otherwise, from asserting the invalidity of said Patent 635,280,—that estoppel was waived by respondents and removed and the matter set free therefrom by such agreement and action of respondents in submitting the question as an open one to the Circuit Court of Appeals in Pennsylvania; and the final decree in that suit that said patent was invalid became an estoppel and *res judicata* as against respondents in favor of the defendant there and its privies.

*Tibbits v. Shapleigh*, 60 N. H., 487, 491.

*Page v. Smith*, 10 Ore., 410.

*Wheelock v. Henshaw*, 19 Pick. 341, 345.

*Thurlough v. Kendall*, 62 Me., 166.

*Killeffer v. Herr*, 17 S. & R., 319.

*Pratt v. Wilcox Co.* (C. C. per Jenkins, J.), 64 Fed., 589, 591.

4. THE IDENTITY OF ISSUES AND THE PRIVACY, AND, INDEED, PRACTICAL IDENTITY OF THE PARTIES IN THE WISCONSIN AND PENNSYLVANIA SUITS.

(a) *The Facts in the Record show this Identity and Privacy clearly.*

We have in our statement of the case given the facts on which our contention here is based (*supra*, pp. 28 and 29).

These facts show that the privacy, and indeed the identity of the *parties* in the suits in Milwaukee and in Pittsburgh respectively, is beyond question. By a mass of undisputed evidence in the record it is largely the result indeed of respondent's own energy and industry in placing it there—it appears that the Westinghouse Traction Brake Company owns, and has owned since long before the beginning of the litigation by Christensen in the Pittsburgh jurisdiction, all the stock in the National Brake & Electric Company, and has controlled that company. The plaintiff in the instant case is the National Brake & Electric Company. The defendant in the Pittsburgh case was the Westinghouse Traction Brake Company. The matter of parties therefore is not so much one of privacy as of identity.

This court has decided this question, in the precise similar case of *Hart Steel Co. et al. v. Railroad Supply Co.*, 244 U. S., 294. There the Railroad Supply Company brought suit against the Hart Steel Company in the Northern District of Illinois for infringement of certain patents. Three months later it brought suit in the Northern District of Ohio against the Elyria Steel Company, praying for the same relief as in the first case. As in the present case, the two bills differed only in the parties defendant. The Elyria Company was a manufacturing corporation and owned all of the capital stock

of the Hart Company. As in the present case, the same defenses were relied upon in the two cases. The District Courts in both cases dismissed the bill for want of proof of infringement, and both cases were appealed. In the *Ohio* case, the Court of Appeals for the Sixth Circuit found the patents void and affirmed the decision of the District Court. Thereupon the Hart Steel Company filed a motion in the Court of Appeals for the Seventh Circuit, where the case stood for argument, praying that court to affirm the decree of the lower court upon the ground that all the issues in the case had been finally determined in the *Ohio* case between the plaintiff and the Elyria Company, with which the Hart Company was in privity. This motion was denied, and subsequently the case was argued on its merits, and the Court of Appeals of the Seventh Circuit found the patents valid and infringed, reversed the decision of the lower court, and remanded the case for an accounting.

Upon certiorari this court said that the question presented was whether or not the decree of the Circuit Court of Appeals for the Sixth Circuit was a final determination of the issues presented in the case pending in the Circuit Court of Appeals for the Seventh Circuit so as to be *res adjudicata* and binding on the latter court, because of the identity of the subject matter and claims, and of the privity of the parties. As to the identity of the subject matter and privity of the parties the court (p. 298) said (and it fits the facts of this case):

“There can be no doubt from the record before us that the Elyria Company owned all of the capital stock of the Hart Company, that the latter company was a mere sales agent of the former, that Wood was the salaried manager of the latter, that both the Hart Company and Wood were agents subject to the control of the Elyria Company, and that in selling the tie-plates and as defendants in the litigation they acted wholly under the authority and

in the interest of their principal. Identity of interest could not be clearer or closer than it was between the defendants in the two cases,—they represented precisely the same, single interest, and the Hart Company and Wood as agents of the Elyria Company were obviously and necessarily privies to the judgment rendered in its favor in the Circuit Court of Appeals for the Sixth Circuit. *Bank of Kentucky v. Stone*, 88 Fed. Rep., 383; affirmed in *Kentucky Bank Tax Cases*, 174 U. S., 408; *Emery v. Fowler*, 39 Maine, 326; *Castle v. Noyes*, 14 N. Y. 329; *Emma Silver Mining Co. v. Emma Silver Mining Co. of New York*, 7. Fed. Rep., 401."

The court then proceeded to decide the question presented by the petition:

"With the identity of the subject matter and issues of the two cases admitted, the privity of parties to them clear, and the question of the ruling effect of the decree of the Circuit Court of Appeals for the Sixth Circuit presented in an appropriate manner to the Circuit Court of Appeals for the Seventh Circuit, a court of co-ordinate jurisdiction, we cannot doubt that the latter court fell into error in not sustaining the motion of the petitioners to affirm the decision of the Circuit Court. The defendants should not have been put to further expense, delay and trouble after the motion was presented. The question is ruled by *Kester v. Eldred*, 206 U. S., 285; *Brill v. Washington Ry. & Electric Co.*, 215 U. S., 527, and *Russell v. Place*, 94 U. S. 606."

Noting the fact that in our case the defendant is the manufacturing company and its controlling company the selling company, the similarity of the cases may be strikingly illustrated by paraphrasing the first quotation above given, as follows:

"There can be no doubt from the record before us that the (Elyria) Westinghouse Company owned all of the capital stock of the (Hart) National Company, and that the latter company was a manufacturing (sales) manufacturing agent of the former; that the (Hart) National Company was subject to the control of the (Elyria) Westinghouse Company."

trol of the (Elyria) Westinghouse Company, and that in (selling) manufacturing the (tie-plates) combined pump and motors and as defendants in the litigation it acted wholly under the authority and in the interest of its principal. Identity of interest could not be clearer or closer than it was between the defendants in the two cases—they represented precisely the same single interest, and the (Hart) National Company as agent of the (Elyria) Westinghouse Company was obviously and necessarily privy to the judgment rendered in the latter's favor in the Circuit Court of Appeals for the (Sixth) Third Circuit."

Plaintiff's counsel in the argument in the court below asserted that the doctrine of *res judicata* did not apply to the present case, because the National Company was a mere child of the Westinghouse Company, and as such had no control of the defense in the *Westinghouse* case; that the owned corporation could not control the owner, and that this differentiated the case from the *Hart Steel* case. But the reply to this is that it is not the mere matter of ownership by one or by the other, but of identity that is important; and also that the alleged distinction from the *Hart* case does not exist, as clearly appears by the paraphrase of the language of the decision in the *Hart* case above made. If the estoppel does not apply in favor of the National Company in the present case, for the reason that it was the child of the Westinghouse Company, it would not have applied in favor of the Hart Company. This court, however, held that it did apply in favor of the Hart Company by reason of its privity with the Elyria Company. We have precisely the same condition of affairs in the present case.

5. AS TO RESPONDENT CHRISTENSEN'S KNOWLEDGE OF SUCH  
PRIVITY.

(a) *Such Knowledge is not necessary to our Case, but is clearly shown.*

We may anticipate that counsel for respondent will contend here, as they did in the lower courts, that although the ownership and control of the National Brake & Electric Company by the Westinghouse Traction Brake Company must be admitted, there is no proof that before March, 1916, when Christensen brought his suit against the Westinghouse Traction Brake Company in Pittsburgh, this connection and control had been published abroad and openly brought to the notice of Christensen. We maintain that the contrary is distinctly shown by the proof referred to in our statement of the case (*supra*, pp. 24-29).

But we submit again that the relation between these companies here involves, not so much the question of control by one party of litigation against another coupled with knowledge of that control by the adverse party, as of actual practical identity. There are many cases of *intervention* which may be cited,—cases, for example, where a manufacturer of patented goods has *intervened* and taken charge and control of suits for infringement brought against retailers,—in which courts have said that knowledge of this *intervention* on the part of the prosecuting party must be shown before he can be considered bound by its result when suing the manufacturer. The Circuit Court of Appeals of the Ninth Circuit has said so in *Wilgus v. Germain*, 72 Fed. Rep., 773, and in *Cramer v. Singer Mfg. Co.*, 93 Fed. Rep., 636, and the Circuit Court of Appeals of the Sixth Circuit has said so in *Lane v. Welds*, 99 Fed. Rep., 286, and in *Foote v. Parsons Non-Skid Com-*



pany, Ltd., 196 Fed. Rep., 951. Perhaps in every other circuit similar cases can be found. But these cases are not at all in principle like the instant case, and the *Hart Steel Company* case. They depend upon the undoubtedly sound doctrine quoted by the court in *Cramer v. Singer Mfg. Co.*, 93 Fed. Rep., 636, and in *Herman on Estoppel*, 157, as follows:

"If one not a party of record nor in privity with a party of record desires to avail himself of the judgment as an estoppel on the ground that he in fact defended the action resulting in the judgment, he must not only have defended that action but must have done so openly to the knowledge of the opposite party and for the defense of his own interests. That he employed an attorney who appeared for the defendant of record and appeared as a witness for the defendant, is not sufficient."

In the *Cramer* case the judgment of the Circuit Court was reversed because, as the Circuit Court of Appeals said, a judgment in favor of one Fry had been held by the Circuit Court to be binding upon *Cramer* not for the reason that the *Singer Manufacturing Company* "was in privity with Fry or sustained such relation to him that it was bound by a judgment against him, but for the reason that it took an active part in the defense of that action against Fry and paid the expenses thereof."

In the instant case and in the *Hart Steel Company* case, it is needless to argue that the two defendant companies *did* bear such relation to each other that the one was bound by the judgment against the other for a patent infringement. We feel confident that this court will hold that when two companies are made practically identical by the entire ownership of one by the other, they are "privies," and that looking through mere form to the substance outlined it will apply the rule which it laid down in the *Hart Steel Company* case, 244 U. S.,

294, that the doctrine of *res judicata* is "a rule of fundamental and substantial justice, of public policy and of private peace, which should be cordially regarded and enforced by the courts to the end that rights once established by the final judgment of a court of competent jurisdiction will be recognized by those who are bound by it in every way wherever the judgment is entitled to respect;" and will apply the rule it laid down in *Robbins v. Chicago*, 4 Wall., 657, that "the conclusive effect of judgments respecting the same cause of action and between the same parties rests upon the just and expedient axiom that it is for the interest of the community that a limit should be opposed to the continuance of litigation, and that the same cause of action should not be brought twice to a final determination.

(b) *Plaintiff Christensen is shown to have had full knowledge of such Privity.*

But even if this test of knowledge by the plaintiff should be applied in this case, where, as in the *Hart* case the parties are practically identical, we should be placed at no disadvantage. Such knowledge is fully shown in our statement of the case. (*Supra*, pp. 24-29.)

The respondent cannot, and does not, deny that I had knowledge of the relations between the companies and that the Westinghouse Traction Brake Company owned all the stock in and controlled the National Brake & Electric Company entirely, upon September 1916, (Rec., p. 136) at which date the record shows the plaintiff's counsel in the examination of Mr. Tell directed made the statement that the stock of the National Brake and Electric Company was all owned and controlled by the Westinghouse Company; nor can he deny knowledge of it on February 9, 1917, when he himself made an affidavit to the same effect (Rec., p. 96); nor can he de

that four months after this last date, as the Circuit Court of Appeals for the Third Circuit says (Rec., p. 109), on June 15, 1917:

"Counsel for both sides appeared, and after discussing the point whether the remedy sought to be invoked was appropriate, they agreed at bar that the merits of the controversy should be heard in reference to the first two patents, and accordingly argument was had thereon. Informally therefore, but with complete effect, the case is before us as if a certiorari had been actually issued and the record returned in obedience thereto."

Thus it would appear that even if the plaintiff, Christensen, did not *begin* his litigation against the Westinghouse Company, having full knowledge that it was also in fact and substance the National Brake and Electric Company, inasmuch as it owned the entire stock of the latter, he *prosecuted* his case with that full knowledge. This prosecution of his case after such knowledge is all that has ever been held necessary for the application of the principle of *res judicata*, even when the question has not been one of identity nor of privity of ownership and interest such as is here involved, but simply of intervention and assumption of the burden of defense. The principle upon which such cases go when—as the Circuit Court of Appeals for the Sixth Circuit expresses it in *Foutc v. Parsons Non-Skid Co.*, 196 Fed., 951,—the manufacturer has not assumed open control of the action and the attorney, and is therefore only "a sympathetic and interested non-participant"—is that the plaintiff may not intend nor desire to submit to the Court of the District of the dealer's residence all questions which may exist between patentee and infringing manufacturer, and may choose to settle with the dealer at terms that he would not make with the manufacturer. But if, knowing the facts of the control of the litigation by another party than the nominal defendant, the

plaintiff proceeds to prosecute his case nevertheless, it is reasonable and proper that he should be held bound by the results as against both parties, controller and controlled.

But back of all this we beg to repeat that there is ample evidence in this record to show that Christensen was informed of the relations between the Westinghouse Companies and the National Brake and Electric Company before he began any litigation. The testimony of Mr. Westinghouse (Rec., p. 148-150) and that of Mr. E. H. Bottum (Rec., p. 122-124), taken with the testimony of Christensen himself (Rec., 178, XQs., 76, 77) shows that from May, 1906, before the beginning of the litigation by him against the National Brake & Electric Company even, and more than nine years before he brought the bill against the Westinghouse Traction Brake Company in Pittsburgh, Christensen knew that the Westinghouse Companies, at first the Westinghouse Air Brake Company and then the Westinghouse Traction Brake Company, owned and controlled effectually and entirely the National Brake & Electric Company.

For our purposes here it is enough that respondents knew the facts, when by agreement they submitted the case upon the merits for the determination of the Circuit Court of Appeals in the Pennsylvania suit; and this is shown by the affidavits of Christensen (Rec., 90) and his counsel Rummel (Rec., 91-92), hereinbefore referred to

6. THE CASE AT BAR IS ON THE SAME FOOTING AS THE HART STEEL COMPANY CASE AND THE DUTY OF THE CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT IS THE SAME AS THIS COURT DECLARED IT TO BE IN THE HART CASE, NAMELY, TO GIVE EFFECT TO THE FIRST FINAL DECREE ON THE VALIDITY OF THE PATENT INVOLVED.

(a) *The Circuit Court of Appeals in the instant case should at least have recalled its Mandate and set aside its Affirming Order of October 5, 1915, and directed the District Court to Vacate its Decree of August 21, 1914, adjudging said Patent 635,280 (i. e., the Second Patent) to be valid and providing for an accounting thereunder,—and to enter a Decree finding and adjudging said Patent to be invalid.*

It is submitted that the waiver by the respondents, in the Circuit Court of Appeals for the Third Circuit, of the estoppel or *res judicata* of the decree in the Wisconsin suit, and their submission of the question of validity of this patent to that court for determination upon the merits,—without any assertion by them of the estoppel or *res judicata* of the decree in the Wisconsin suit as against the petitioner-defendant there, as a privy of the petitioner-defendant here (Rec., 8-9, 109, and *supra*, 13, 19-20),—removes any distinction between this case in the Circuit Court of Appeals at Chicago and the *Hart Steel Company* case, which we have above referred to.

The ruling in the *Hart Steel* case in effect was that it was the duty of the Circuit Court of Appeals at Chicago to determine the question and fact of privity between the defendants there and the defendant in the case in the Sixth Circuit, and the identity of the issues or questions in the case there and in the *Ohio* case, and—the privity and identity of issues appearing from the

record submitted—to give effect to the decision of the Circuit Court of Appeals in the Sixth Circuit as *res judicata* and to act and determine the case before that court accordingly.

We submit that the like duty was imposed upon the Circuit Court of Appeals at Chicago in the case at bar. The record of the proceedings presented to that court shows,—as did the record presented to the same court in the *Hart Steel* case,—both the privity of the parties and identity of the issues; and also shows the waiver by the respondents in the Circuit Court of Appeals for the Third Circuit of any supposed *res judicata* or bar of the decree and the decision or decree in the Wisconsin suit, and the submission to the Circuit Court of Appeals in the Pennsylvania suit, for its determination upon the merits, as an open question, the issue and question as to the validity of said second patent No. 635,280.

(b) *We contend, moreover, that the Circuit Court of Appeals should,—the whole record considered,—have further directed the District Court to dismiss said bill for want of equity.*

As we have hereinbefore submitted, the least that the Circuit Court of Appeals should direct the District Court to do must involve a finding of the invalidity of Patent 635,280, but that would not exhaust the relief to which because of the final adjudications of the courts in Pennsylvania we conceive ourselves entitled.

We think that the Court of Appeals should have dismissed or instructed the dismissal of the complainant's bill.

(aa) In the first place we are so far from admitting the contention of the complainants heretofore alluded to, that the Pennsylvania court found Patent No. 621,324

valid and in force, that we maintain that on the contrary as to Letters Patent 621,324 as well as to Letters Patent 635,280, there has been a final adjudication in Pittsburgh which controls and determines the proper course under the interlocutory decree in Milwaukee and that the decree of dismissal of the bill in Pittsburgh was a final adjudication adverse to any claim that can now be made by complainant.

The bill in Pittsburgh mentioned five patents. It was dismissed by the District Court first on February 24, 1917, as an entirety and as to all said patents "Without prejudice." As to two of these patents not involved here the dismissal in this form was never objected to or challenged. As to the two involved in our discussion 621,324 and 635,280, and a third one, the consideration of the Circuit Court of Appeals for the Third Circuit was invoked. That court by its mandate to the District Court to act in accordance with its opinion, affirmed the decree as to the third patent and reversed it as to the other two,—621,324 and 635,280. As it then said and later said its decision was that the second patent was invalid and should be so adjudged and that the cause should proceed on the first patent, 621,324, alone. (Rec., 235.) A decree October 1, 1917, in accordance with the mandate, which decree was an absolutely final adjudication as to Patent 635,280, held that patent invalid and dismissed the bill as to *it*. The case was then ready for trial on Patent 621,324. And we maintain that the case was on hearing when the order was made. The order then entered upon the mandate recited "this cause having come on to be heard at this term on motion, etc." (Rec., 115.) So the entry of record as to the order of dismissal of the bill recited, "and now, Monday, October 1, 1917, this cause came on for hearing before Honorable Charles P.

Orr, judge, etc." (Rec., 198.) The Circuit Court of Appeals afterward speaking of it said:

"The defendant was on hand ready to go on. But the plaintiffs did not offer to go on and being, therefore, in default, were bound to accept the consequences." (Rec., 240.)

Those consequences were that on motion of the defendant, the court on the same day, October 1, 1917, with respect to Patent No. 621,324 (Rec., 117 and 199), *dismissed the bill* (which at that moment affected only Patent 621,324)—"for want of prosecution." That order after intermediate proceedings was again entered on March 11, 1918, when "it was further ordered, adjudged and decreed that as to Patent No. 621,324, etc., the bill of complaint stands dismissed for want of prosecution, with costs, etc." (Rec., 218.)

As to this dismissal, the Circuit Court of Appeals for the Third Circuit afterward said:

"No occasion then existed for entering a decree again dismissing the bill as to the first patent. The decree of October 1st had been in force from its date and no additional order was necessary." (Rec., 240.)

It said the order was "a final decree" and expressly declined to decide what effect it should have in any other proceeding, declaring "no such question is now presented and we volunteer no opinion on the subject."

We admit that *usually* a dismissal "for want of prosecution" is a dismissal "without prejudice." But it is not *necessarily* so. Undoubtedly where the plaintiff makes a voluntary discontinuance—or where by declining to prosecute further—he evades in time a trial on the merits, the decree of dismissal of a bill in chancery does not make a final decree barring another action,—but we maintain that where, as the record here shows, a case is called for hearing, the plaintiffs have an opportunity to intro-



duce testimony and nevertheless make default, and on motion of the defendant, the bill is then dismissed—whether the expression of the order be “for want of prosecution” or “for want of equity”—the decree is a final one and makes an adjudication. It seems inadmissible to us that the plaintiffs could file a bill in the affirmative form alleging one invention described in two patents (as the original bill in Pittsburgh did) and when the case reached the Court of Appeals make an argument *on the merits* with respect to certain defenses raised regarding both patents, encounter an adverse decree and an order of dismissal as to one of them, and then when the case is sent back to the lower court and reinstated by the lower court and formally called for trial on the date set by that court and an opportunity of proceeding with such trial offered them, abandon the trial as to the remaining patent in that circuit and revive or continue it “without prejudice” in another court.

(bb) But whether the Pittsburgh decree of October 1, 1917, concerning Patent 621,324 was or was not a final adjudication as to that patent, the decree of the same court on the same date as to said Patent 635,280 certainly was final as to said Patent 635,280, and we maintain that on the record shown in this case in the Seventh Circuit alone, that with said Patent No. 635,280 eliminated from the litigation there can be no relief granted on the bill of complaint.

It goes without saying, as we have submitted, that the Circuit Court of Appeals in the instant case should at least have recalled its mandate and set aside its affirming order of October 5, 1915, and directed the District Court to vacate its decree of August 21, 1914, adjudging said Patent 635,280 (*i. e.*, the second patent) to be valid and providing for an accounting thereunder,—and to

enter a decree finding and adjudging said patent to be invalid.

But this would leave the question as to the disposition of the *alternative case for relief* presented by plaintiff's amended bill which the previous decrees did not adjudicate and which is here next outlined; and which we maintain clearly presents no case for relief.

7. THE STATUS OF THE CASE IF AND WHEN THE JUDGMENT OF THE CIRCUIT COURT OF APPEALS HEREIN REVIEWED IS REVERSED BY THIS COURT AND LETTERS PATENT NO. 635,280 ARE ADJUDGED TO BE INVALID; AND AS TO THE ORDER TO BE HERE MADE OR DIRECTIONS GIVEN WITH RESPECT TO REMANDING THE CASE FOR FURTHER PROCEEDINGS, OR DIRECTING THE DISMISSAL OF THE SUIT.

The amended bill sought, in the event Patent 635,280 should be held invalid,—to base its cause of action upon two or three other grounds—singly or together, viz:

(1) Upon canceled Patent 621,324;—the claim here being that the cancellation of 621,324 was void if 635,280 is invalid;

(2) Upon an alleged contract of the Government with the patentee, Christensen, for the grant and monopoly;—arising out of the allowance by the Patent Office of Christensen's application for a patent;—the theory apparently being that such "contract,"—in the absence of any letters patent,—secured to him the exclusive patent right,—the letters patent being merely "evidence" (and not the only evidence) thereof; and

(3) Upon Christensen's supposed equities. (Rec. 19, 21, 24.)

The judgments of the District Court and Court of Appeals did not mention or refer to such alternative

feature of the case. Those judgments dealt only with Patent 635,280; but the decree sustaining the validity thereof, in effect and necessarily, decided against the validity or existence of the canceled Patent 621,324, and against plaintiffs' alternative case.

This alternative case was, however, referred to in their opinions filed (Rec., 34, 41, 44); although what was there said, or the views there expressed, were not necessary to or involved in the decisions made (which merely sustain Patent 635,280, without any qualification,—even as to its term or period); and formed no part and in no way enlarged or affected those decisions. *Barney v. Winona Railway*, 117 U. S. 228, 231.

While none of these alternative contentions of plaintiffs have ever been sustained by any adjudication,—the *obiter dicta* in the opinions, to which we have referred, ominously disclose, as we conceive, an already formed but clearly erroneous opinion of those courts in plaintiff's favor. (See *infra*, p. 87.)

Regarding these contentions as still in the case and undisposed of, what order should be here made? Shall this court's order dispose of the case, and save both parties from the expense of further litigation? (*Smith v. Vulcan Iron Works*, 165 U. S., 518, 525.) Or shall the case be remanded for further and new hearings and proceedings?

If there is no fair basis for a decree in plaintiff's favor then this suit should be now disposed of and dismissed.

(a) *The Judiciary Act contemplates that, as a general rule, this court shall, upon certiorari, dispose of the case, as the Circuit Court of Appeals should have done.*

The petition to the Circuit Court of Appeals here under review prayed for a direction to the District Court to dismiss the suit for want of equity. (Rec., 6.)

The entire record is before this court with power to decide the case as it was presented to the Circuit Court of Appeals; and the Judiciary Act contemplates that, as a general rule, where under its provisions a case comes to this court on certiorari to a Circuit Court of Appeals, it will be here disposed of as that court should have disposed of it,—so that the mandate of this court, to avoid circuitry will go directly to the District Court. (Rev. Stat. Sec. 701; Judicial Code, Sec. 240; *Hamilton Shoe Co. v. Wolf*, 240 U. S. 251, 258-9; *Lutcher & Moore Lumber Co. v. Knight*, 217 U. S. 257, 267; *Denver v. N. Y. Trust Co.* 229 U. S. 123, 136.

In *St. Louis, K. C. & Col. R. R. Co. v. Wabash R. R.* 217 U. S. 247, 251, certiorari was granted to the Circuit Court of Appeals for the Eighth Circuit to remove a case there pending on appeal from a decree of the Circuit Court which was entered pursuant to a mandate of the Circuit Court of Appeals upon a former appeal, and this court held that such certiorari brought before this court the original decree, which, upon the hearing this court modified (p. 257).

In *Donovan v. Pennsylvania Co.*, 199 U. S. 279, the court said:

“On writ of certiorari we can dispose of all questions arising on the record.”

In *Camp v. Greis*, 250 U. S. 308, 318, the court said

“In cases coming from the federal courts, the Supreme Court is given by statute full power to

enter such judgment or order as the nature of the appeal or writ of error (or certiorari, Sec. 240 of the Judicial Code) requires."

(b) *Exceptions to the rule requiring this court to dispose of the entire case. Discretion of the court.*

We recognize that certain cases have been held by this court to present such exceptions to the general rule as to give this court a discretion to decide the whole case or not. This court, in such a case, may remand the case to the lower court to pass on issues undetermined. *Lutcher & Moore Co. v. Knight*, 217 U. S. 257, 267-268; *Cramps v. Curtiss Co.*, 228 U. S. 646; *Brown v. Fletcher*, 237 U. S. 583; *Lamar v. United States*, 241 U. S. 103.

In that event here—that of remanding to the District Court for further proceedings—we should maintain:

(c) *That if, notwithstanding the cancellation of the Letters Patent No. 621,324 (i. e., the first patent) at the direction of the patentee, and the facts that said letters patent were never reissued, and that the patentee never marked his structures under that patent or gave any notice or made any claim thereunder prior to filing said amended bill,—this court is of the opinion that the bill could still be maintained with that patent, or the alleged contract of the Government with Christensen, or his supposed equities therein referred to, as a basis for the claim of infringement,—the Circuit Court of Appeals should have instructed the District Court not only to vacate its decree adjudging the validity of Patent No. 635,280, but also to set aside the accounting; require or permit amendment of the bill and allow further pleading thereto.*

It is obvious that no directions less favorable to defendant could be given.

*The question of marking:*

Even were the Letters Patent 621,324 outstanding and valid, instead of canceled and surrendered, they certainly could not and should not be considered a possible basis for the present accounting or a continuation of it.

The effect of the substitution of one patent for another on this accounting is too obvious to need discussion.

The U. S. Rev. St., Sec. 4900, declares that:

"It shall be the duty of all patentees and their assignee and legal representatives and of all persons making or vending any patented article for or under the law, to give sufficient notice to the public that the same is patented, *together with the day and year* the patent was granted, or when from the character of the article this cannot be done, by fixing to it or the package wherein one or more of them is enclosed a label containing the like notice and in any suit for infringement by the party so failing to mark, damages shall be recovered by the plaintiff except proof that the defendant was duly notified of the infringement and continued after such notice to make use or vend the article so patented."

Mere notice of the patent is insufficient. There must be notice of the *infringement* also.

*Dunlap v. Schofield*, 152 U. S., 244.

The marking by complainant, in order to comply with Section 4900 of the Revised Statutes above recited, was according to both the original and amended bill charged to be under the second patent—Letters Patent 635,280.

The original bill said nothing of Patent 621,324 nor notice other than "marking," and while the amended bill spoke of notice of "infringement of a monopoly," this was plainly not the notice of a patent and of infringement.

thereof which we submit is the meaning of the alternative requirement of the statute.

And the "marking" by complainant in order to comply with the statute is by the amended bill expressly alleged to be under the second patent, Letters Patent No. 635,280. The allegation is

"that the public, ever since said exclusive grant to the plaintiff, Christensen, has had due notice that said motor compressors, articles and apparatus are made under said grant or monopoly and have been and are patented and have been and are marked by affixing thereon the word "patented," together with the day and year of the issuance of *said last numbered patent*, that the public has known, widely recognized and acquiesced in the validity of said exclusive grant and monopoly to said Christensen in the utility and advantages of said improvements and in the aforesaid exclusive title and rights of the plaintiff and each of them thereto and therein." (Rec., 22.)

And the bill in the following paragraph alleges "that the defendant has well known all the facts hereinbefore set forth." (Rec., 22.)

The "facts hereinbefore set forth," include the complainant's refusal to accept Letters Patent 621,324, his return of the same with such refusal to the Commissioner of Patents, his request that said Letters Patent 621,324 be canceled, the granting of his request, the cancellation of Letters Patent 621,324 and the issuance of Letters Patent 635,280 in lieu thereof for the term of seventeen years from and after the date thereof, October 17, 1899. (Rec., 19-20.) It is therefore obvious that the only outstanding letters patent accepted by Christensen were Letters Patent 635,280 and that the allegation of the bill of complaint that plaintiffs prior to the institution of this action caused notice to be given to defendant of its alleged infringement and of the rights of complainant in the prem-

ises (Rec., 23) must be referred to Letters Patent 635,280 because there was none other. The records of the Patent Office disclosed to the defendant and the public that Letters Patent 621,324 had been canceled at plaintiff's request and direction. It is shown by the pleadings that the only marking was under Patent 635,280 and there is not, as we maintain, even an allegation in the pleadings of notice of infringement of any other patent.

And the decree now standing in this case under which the account is going on mentions only an accounting of the gains and profits made by an infringement of Patent No. 635,280. (Rec., 40.)

If then this court (or the Circuit Court of Appeals following the direction of or opinion of this court) should hold that under the circumstances shown by the pleadings and record now before it, the adjudicated invalidity of Patent 635,280 must be recognized but that nevertheless in the present suit there may still be tried out the alleged rights of the plaintiff under the canceled Letters Patent 621,324, or other alleged grounds of recovery, the present decree and accounting must be set aside and the plaintiff given leave appropriately to amend his bill eliminating therefrom claims under Letters Patent 635,280 and the defendant allowed to answer the same. Then for the first time could the defendant fairly meet all questions concerning the present existence and validity of Letters Patent 621,324.



8. THE CASE AT BAR IS WHOLLY NOW IN THE HANDS OF THIS COURT. THE PLEADINGS AND UNDISPUTED FACTS SHOWN IN THE RECORD FURNISH CLEAR GROUND FOR ITS DISPOSITION UPON THE MERITS AND THE DISMISSAL OF THE SUIT WITHOUT FURTHER EXPENSE AND DELAY.

PLAINTIFFS' CASE IS CLEARLY WITHOUT EQUITY.

IT IS ALSO MARKED AT EVERY STEP BY GROSS LACHES.

*We contend that upon the allegations of the amended bill and the undisputed facts shown by the record, the plaintiffs present no case for relief on their alternative prayer, based upon either (1) canceled Patent 621,324, or (2) a supposed contract with the Government for letters patent, or (3) the circumstances of the case and plaintiff's supposed equities; or upon all these grounds taken together.*

We submit the following considerations in support of our contention here:

(1) In the first place, the record clearly shows that plaintiff Christensen's patent situation here was brought about by himself; and the fact that it was never remedied,—if he was entitled to have it remedied,—is due entirely to his own fault and laches, and he should bear the consequences.

(2) The plaintiffs have no valid existing patent. They have had none since the cancellation by the patentee's procurement of the first patent. In other words, the first letters patent were by Christensen's procurement destroyed; and the second patent has been at all times invalid.

Existing and valid letters patent are necessary to the plaintiffs' case here.

The letters patent are the only contract, and the only evidence of patent right, and the only ground upon which the plaintiffs could sustain a suit in equity to enjoin infringement and recover profits or damages.

Assuming everything that plaintiff asserts her to be the fact, viz.: that the intention of Christensen, in his act of returning the first patent and requesting its cancellation,—and also the intention of the Commissioner of Patents in carrying out that request and canceling said patent,—was that such cancellation should be accompanied or immediately followed by the issue of valid letters patent in place of the canceled patent, and that such intention failed in the respect that the second patent was not a valid patent;—then, as we maintain, it does not follow as against the defendant here, and for the purposes of this suit,—either (1) that the first patent was not canceled, but exists; or (2) that the facts furnish a substitute for or equivalent of unsued or non-existing valid letters patent.

(3) However the plaintiffs' case is looked at, they have been guilty of such gross *laches* as prevent any relief in a court of equity.

(4) These considerations,—if sound, as we maintain they are,—dispose of plaintiffs' alleged alternative case, whether based upon a supposed contract with the Government with Christensen, which is not embodied in or evidenced by any valid letters patent, or upon any other considerations or grounds.

Let us consider these contentions:

(1) As to the patentee's (Christensen's) action and responsibility for his situation, *and as to his laches*:

(a) *As to Patent 621,324*:

That patent was destroyed by Christensen's procurement. Plaintiff Christensen alleges that he refused to accept that patent, and on September 16, 1899, he returned it with such refusal to the Patent Office, and requested its cancellation. His request for its cancellation was granted and the patent was accordingly canceled and destroyed. See amended bill (Rec., 19-20); answer to our petition here (Rec., 7-8); also opinion of District Court (Rec., 32), and stipulation (Rec., 87-88),—where it is stated that the Commissioner of Patents

made an order September 29, 1899, that the seal of said Letters Patent 621,324, be broken and the grant returned to the files marked canceled.

There can be no question, we submit, that Letters Patent 621,324 then and forever ceased to exist for any purpose.

Notwithstanding the defect in that patent was obvious at a glance, the patentee did not refuse to accept nor did he return the first patent for nearly six months after he received it; and in the meantime, before so returning it, he made use of it to his advantage by giving a license contract thereunder, dated September 13, 1899, providing for the payment to him of royalties. (Rec., 190; Exh. 83; and Rec., 188; Exh. 74.) During that period he made no objection to the patent, although he was charged with knowledge of the defect which so appeared upon its face. Obviously under these circumstances, he could not get other valid letters patent except for the unexpired part of the term of Patent 621,324, which was seventeen years from March 21, 1899. (Rev. Stat., Sec. 4916.)

This was not the case of the mere surrender by Christensen of the first letter patent for a reissue under Rev. Stat., 4916.

In *Allen v. Culp*, 166 U. S. 501, 505, the court said that the amendment of 1870, now a part of Section 4916, providing that the surrender should take effect upon the reissue of the amended patent, was passed "to obviate the injustice to inventors occasioned by the peremptory requirement that the patent should be treated as extinguished from the moment that it was surrendered for a reissue." It was also said in that case that "whether, if the reissue be void, the patentee may fall

back on his original patent, has never yet been decided by this court."

But the patentee here was not satisfied merely to surrender Patent 621,324 for reissue and leave the patent to be "treated as extinguished" and the surrender to "take effect upon the reissue of the amended patent," by force of law. He expressly "refused to accept" the first patent and directed its cancellation and it was accordingly canceled. (Rec., 19-20.) His case does not come within such provision of the amendment of 1870.

*Plaintiff Christensen's very obvious laches respecting his present claim under the first patent.*

The plaintiff never recalled his request for such cancellation or sought from the Patent Office the restoration or return of Patent 621,324. The record in the Patent Office shows, and has shown ever since September 29, 1899,—and during the whole time of the alleged infringement by defendant,—that that patent was canceled and destroyed by Christensen's procurement and was non-existent; and no attempt has been made to procure any change in that record.

If the patentee had asked that the defect in the first patent be cured,—either under Rule 170 of the Patent Office, which would not call for its cancellation,—or by reissue under Rev. Stat. Sec. 4916,—there would have been no new patent for an extended period forbidden by law.

But he did nothing of the kind. He "merely asked for a summary and irregular correction of the mistake, and the commissioner complied with his request," as was said by the Circuit Court of Appeals for the Third Circuit. (Rec., 112.)

So Mr. Christensen was responsible for canceling Pat-

ent 621,324 as it was done, and for getting invalid Patent 635,280 in its place.

His patent predicament here is the result of his own action and direction; and his failure to take any proper steps at any time in the Patent Office to reinstate the first patent, or to assert in this suit any supposed rights thereunder for nearly seven years after the suit was commenced and for over fourteen and one-half years after such supposed rights accrued, shows fatal *laches*.

(b) *Again, as to the second patent, No. 635,280:*

The invalidity of this patent was alleged in the answer to the original bill, filed March 1, 1907. (Rec., 27-28.) Its invalidity appeared on its face, because it purported to grant the monopoly for the full seventeen years from its own date, instead of for the unexpired part of the period of Patent 621,324. R. S. Sec. 4916. Of course, if, instead of asking for an "irregular correction of Patent 621,324," he had pursued the plain course to accomplish that object only, he might have avoided the vice in 635,280.

It may be properly asked why plaintiff never took any steps to have the obvious defect in the second patent remedied in the Patent Office. It was as readily correctible as its need for correction was obvious. Why was it not promptly corrected in 1899 or 1900, and before the public had for years acted on the showing of the Patent Office records that Patent 635,280 was the entire basis of plaintiff's alleged right? It is to be inferred—there is no other apparent reason—that it was because he desired to get, even at some risk, the benefit of the longer monopoly period, which that patent professed to give him; and took his chances of its invalidity on that ground. *Plaintiff Christensen was guilty of*

*gross laches in not having it remedied at all—by reissue or otherwise—in the Patent Office.*

*Wollensak v. Reider*, 115 U. S., 96.

*Wollensak v. Sargent*, 151 U. S., 221.

*Milloy Elec. Co. v. Thompson-H. Co.* (C. C. A., 6th Cir.), 148 Fed., 843; 78 C. C. A., 533.

(2) *We maintain that valid and uncanceled letters patent are essential to plaintiff's recovery.*

We contend that the idea underlying the view of plaintiff and his counsel here,—and that expressed or suggested in the *obiter dicta* of the opinions of the District Court and Court of Appeals (Rec., 34-44),—is a misconception of the nature and effect of letters patent and the source of the rights of grantees thereunder. Much emphasis is placed by plaintiff on the position or theory that a patent is but the *evidence* of a contract between the United States and the inventor. We think this view unsound.

While it is undoubtedly true that the contract of valid and accepted letters patent constitute a contract between the United States and the patentee, they nevertheless constitute a peculiar kind of contract and a contract which depends for its existence on the very *grant* contained in those letters patent. It is not the invention which gives the inventor the patent right. He may invent as he chooses, and manufacture, use and sell as he chooses, his inventions, and keep their secret without taking out any patent, but *from the grant against common right—his letters patent, and from them alone* he receives the monopoly right to prevent and restrain other people from manufacturing, selling or using those inventions for a strictly limited time and under strictly limited conditions in consideration of the description of them which he gives in his application and which he places

of record, so that all the world can have the benefit of them after the limited time has expired.

(See the discussion of this and the general policy and effect of the patent laws in the opinion of the majority of the court in *Motion Picture Company v. Universal Company*, 243 U. S., 502.)

It follows from the very nature of this grant of letters patent, as from their history and development, that particular letters patent cannot be and are not mere documentary evidence for the inventor of an independent contract, under which *contract* he may have injunctions and accountings and which may be equally well proved by some letters patent other than those named in the decree, under particular or unusual circumstances.

On the contrary, if they may be said to constitute "a contract" as they often have been, they have none the less remained as Lord Cockburn called them in *Feather v. Reg.*, 6 Best & Smith, 257, "a prerogative grant upon condition."

And like other such grants, the law so construes them as to permit no further limitation of the liberties of others than the language of the grant itself requires. Like everything in derogation of common right, they must be kept within their express provisions.

We urge with confidence the proposition that the issue, existence and possession, actual or constructive, of a particular valid instrument is necessary to a patentee's suit for infringement. The letters patent *create* a property interest in the invention which otherwise does not exist.

The whole line of patent cases in both English and American jurisprudence we think bears out this assertion, but we call attention again to the late case of the *Motion Picture Company v. Universal Company*, 243

U. S., 502, which we have heretofore cited, to the early one of *Gaylor v. Wilder*, 10 Howard, 477, and especially to *Marsh v. Nichols*, 128 U. S., 605, of which the syllabus expresses well the doctrine of this court on this matter, and shows that defective letters patent were declared void and incapable of supporting an action for infringement, although the defect was purely clerical and accidental. This syllabus is as follows:

“Letters patent for an invention issued without the signature of the Secretary of the Interior have no validity, although in every other respect the requirements of law may be complied with and although the issue without the Secretary’s signature was unintentional, accidental and unknown to the Department of the Interior or to the patentee, but this omission may be supplied by the Secretary or Acting Secretary of the Interior at the time when the correction is made *and from the time forward* the letters operate as a patent for the invention claimed.”

And so the Supreme Court decided, affirming the court below, that the bill in that case, which was brought before the correction was made, must be dismissed.

This seems to us to leave little substance to any theory of a contract independent and paramount, as it were, to the letters patent and only *evidenced* by them. There must be according to the plain doctrine of this case existing valid and non-defective letters patent as the basis of any suit for infringement.

In this case we maintain there are not. Letters Patent 635,280 have been adjudged invalid by the final decree of a court having jurisdiction. Letters Patent 621,324 are not in existence. They have been surrendered, canceled and extinguished, and that, by the complainant’s own deliberate choice and request. He cannot pursue a remedy under them. They constitute no grant of a



monopoly right in him against the public. His release of the grant made by them is irrevocable. His bill in this case should therefore be dismissed and the Circuit Court of Appeals should have so ordered.

(3) *We submit with great respect, that the case should be disposed of by the order or direction of this court for its dismissal and should not be remanded for the determination of the lower courts whose adverse,—but as we maintain,—erroneous decision upon the unadjudicated questions, is foreshadowed in their opinions in the record.*

The judgments of the lower courts sustaining the second patent were based upon their conclusion that the return by the patentee of the first patent and the issue of the second patent were to be regarded "as in effect a reissue"; and that while the second patent was for the full term of 17 years from its own date and not for the unexpired part of the term of the first patent as required by Section 4916 of the Revised Statutes, that fact did not affect its validity; and that the court might (and the law itself did) limit the letters patent to such shorter lawful period. (See opinions, Rec., 34, 44.) The judgments, however, did not make or express any such limitation of the patent period. (Rec., 40, 50.)

Each of the courts expressed the opinion (*obiter*, as we contend), that the question as to which patent should be held to be in force was "academic" and unimportant, and that if the second patent were held to be invalid, then the cancellation of the first patent must be held to have been unauthorized and ineffective.

In other words, the expressed opinion of the two courts is that the second patent being adjudged invalid, the first patent was and is uncanceled. (Rec., 34, 44.)

With great respect, we maintain that this expressed view of the lower courts is clearly erroneous for the reasons we have above given.

We submit that the cancellation and status as to the first patent was not in any way affected by the invalidity of the second patent. The patentee's plain remedy for that invalidity was to apply for a further reissue or correction in the Patent Office; and this remedy should have been promptly sought when the patentee reissued the second patent and was charged with knowledge of its defect appearing on its face.

The Circuit Court of Appeals in its opinion in the instant matter (Rec., 257) said:

"At the threshold lies the question of the nature and effect of the Wisconsin decree affirmed by this court and we have stated the case only in that aspect."

It then proceeds to discuss the finality of the Wisconsin decree and finding it "final in essence" though not in form, disposes of our petition by denying it.

This situation, however, we submit, does not in any degree militate against the final disposal of this cause here nor confine the action of this court to passing only on the question to which solely the Circuit Court of Appeals seems to have given its consideration. That question, if at the threshold, was behind and only reached after the questions of identity of subject matter and subject matter in the two suits were reached. That court said in its opinion:

"On the records of the three cases which are submitted as constituting all the evidence that bears on this motion respondents dispute petitioner's contention as to the identity of subject matter and parties in the two decrees." (Rec., 257.)

It is referring to the Wisconsin and Pennsylvania cases respectively.

We maintain that it is not too strong an inference to draw that inasmuch as the record shows completely the facts about the relation of the issues and parties in the two cases,—the Circuit Court of Appeals found them as we contended or it would not have treated at length and solely in its opinion of the finality or the want of it in solely in its opinion of the finality or want of it in the Milwaukee judgment. Without privity and identity of issues, of course our case must have failed without reference to the disputed question of the interlocutory nature of the Milwaukee decree for which we contended and which the respondents denied.

But in any event we submit that in the interest of securing a speedy end of a long and harassing litigation *this* Court,—if it should agree with us and disagree with the Circuit Court of Appeals of the Seventh Circuit as to this question of the finality of the Milwaukee decree,—should not remand the cause to the Circuit Court of Appeals to decide the further questions which our petition raises and upon which those courts have *obiter* indicated a fixed opinion (Rec., 34-44), which, we submit, is clearly unsound, but should proceed and from the record before it decide them here and now, and instruct and direct the inferior courts accordingly.

It may,—and we confidently expect that it will,—make a part of any order or instructions to those courts an adjudication that the decree of the District Court in Wisconsin of August 21, 1914, was not a final but an interlocutory one, but it may also in consideration of the record, include directions to the Circuit Court of Appeals to instruct the District Court for the Eastern District of Wisconsin to vacate the accounting and decree

on which it is proceeding, to adjudge the Letters Patent No. 635,280 invalid, and then to dismiss the complainant's bill.

But if this court should not deem it proper thus to dispose of the entire litigation we ask in the alternative that at least it direct the Circuit Court of Appeals to instruct the District Court by proper action to eliminate Patent 635,280 from the litigation and allow the defendant his day in court in defense of any claim of infringement of a different patent.

## 9. SUMMARY OF OUR CONTENTIONS.

To restate then our contentions in the Circuit Court of Appeals, that we now repeat in this court which our proceeding has reached by this writ of certiorari:

They are:

*First.* That the Circuit Court of Appeals should, under the order of this Court, direct the dismissal of the bill in the instant case, because of the final decrees of dismissal as to both patents by the District Court of the Western District of Pennsylvania.

*Second.* That should the court hold that there was no final adjudication in the Pennsylvania case as to Letters Patent 621,324 directions should nevertheless be given to the District Court that the bill in the instant case should be dismissed because there is a final adjudication against the Letters Patent 635,280 (the second patent) and the record clearly shows that there is no "first patent" (621,324) or any other valid patent in existence.

*Third.* That should the court hold that there might possibly be some ground for recovery or that this court should not itself here pass upon that question upon this record, then the present decree should be set aside and such directions given as will eliminate Letters Patent 635,280 from the litigation and permit or require plaintiffs to amend their bill of complaint accordingly, and allow the defendant his day in court under the present situation to defend against allegations of the existence and (if existing) against the existence, validity and claim of infringement of, Letters Patent 621,324.

Respectfully submitted,

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*Counsel for Petitioner, National Brake  
& Electric Company.*

Office Supreme Court, U. S.  
W. T. T. P. 11

NOV 15 1920

JAMES H. HARTY  
CLERK

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# Supreme Court of the United States

OCTOBER TERM, A. D. 1920

No. 111

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NATIONAL BRAKE & ELECTRIC COM-  
PANY,

*Petitioner,*

vs.

NIELS A. CHRISTENSEN and ALLIS-  
CHALMERS COMPANY

*Respondents.*

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## BRIEF FOR RESPONDENTS

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JOSEPH B. COTTON,

WILLIAM R. RUMMLER,

WILLET M. SPOONER,

LOUIS QUARLES,

*Counsel for Respondents.*

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# SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, A. D. 1920.

No. 111.

NATIONAL BRAKE & ELECTRIC COM-  
PANY,

*Petitioner,*

vs.

NIELS A. CHRISTENSEN and ALLIS-CHAL-  
MERS COMPANY,

*Respondents.*

This is a certiorari to review the action of the United States Circuit Court of Appeals for the Seventh Circuit denying an original application of petitioner for a decree of that court directing the dismissal of a suit not pending therein, but commenced many years before in, and then pending in, the United States District Court for the Eastern District of Wisconsin.

A correct understanding of the issues involved necessitates a somewhat careful review of three separate litigations:

(A) The original suit in the District Court for Wisconsin (hereinafter for brevity called the Wisconsin suit);

(B) The original suit in the District Court at Pittsburgh, together with the various certiorari proceedings in the Court of Appeals growing out of it (all of which are hereinafter called the Pittsburgh litigation); and

(C) The original special proceeding in the Circuit Court of Appeals for the Seventh Circuit commenced because of the two preceding litigations, and which here alone is sought to be reviewed.

## STATEMENT OF FACTS.

The statement of facts contained in the brief for the petitioner, while on the whole pretty full is incomplete

and merely delineates the skeleton of the litigation without reference to the real flesh and blood thereof. Petitioner confines its discussion to the forms of pleadings and decrees and omits all references to the real issues tried and decided as disclosed by the decisions of the District Courts and Circuit Courts of Appeal.

The cases all hold that in order to determine what issues were involved a court not only could, but should, refer to the decisions of the courts whose judgments are affected or reviewed, and we feel that in that way only will the bare facts as presented by the petitioner appear in their true light and perspective.

We therefore wish to supplement and in some instances correct the statement of facts of petitioner, with particular reference to the decisions of the courts in question.

#### (A) THE WISCONSIN LITIGATION.

The amended bill in this case, and that is the one on which the suit went to trial, was predicated on the theory that the two paper writings are evidence of one and the same contract or monopoly grant, and that it is immaterial whether either or both are taken as evidence of the contract and grant. The facts as to the identity of the two patents, except as to number, date and nominal date of expiration, appear on the amended bill and are admitted throughout the litigation. (Rec. pp. 18-25).

The case was originally tried and submitted to the late Judge Quarles and remained *in gremio* for a very long time. (This accounts for the slumbering referred to in petitioner's brief.) He died before deciding it. After his death the case was revived and other counsel appeared the bill was amended to introduce the first patent as an alternative evidence of the grant, and on motion of the petitioner, a stipulation and order was entered that the answer to the original bill stand as the answer to the amended bill,

"and have the same force and effect as if said defenses stated in the Answer to said original Bill had been specifically set up in regard to said patent No. 621,324." (Rec. p. 30.)

The order further provided that

"the evidence offered by the Defendant in support of its Answer to the original Bill, and filed in this Court,

shall stand and have the same force and effect as against said patent No. 921,324 as if originally taken with reference to said Patent."

The issues and record were, by petitioner's own motion and the order of the Court entered pursuant thereto, made identical as to both patents.

Upon the trial one of the chief questions presented and litigated by petitioner was the question of which patent evidenced plaintiff's monopoly, the first or the second, although the issues regarding the two were identical as has been shown. After argument and briefs Judge Geiger decided the case and filed an opinion August 1, 1914 (Rec. p. 32) upholding respondent's contentions that respondent Christensen had a patent monopoly right and that it was immaterial or "academic" as to which patent was referred to as evidencing the grant, that the contract with the United States government was one and the same and that defendant had infringed it, and granted an injunction and accounting accordingly.

Judge Geiger in his opinion said, and this was the gist of his holding,

"In every aspect of the case, it appears that the Government has allowed and granted a patent embodying the claims which, in the two documents, are identical. Whether the patent be evidenced by one, the other or both, is not, in view of the issues now here, material. Complainants' contention that, even though the second Patent on its face extends the term of the monopoly beyond that permitted by statute, the Court may, when necessary to protect the public or a party, give the instrument its actual limitation and effect, strikes me as fair and entirely consistent with the spirit of the patent laws. In other words, there is no reason why the irregularity of procedure should work a default or a total lapse in the patentee's right or title, *especially as against one who has not been injured or misled*, nor from whom relief is sought in reliance upon the irregularity. The question, upon the present state of the case, is therefore, academic only." (Rec. p. 34.) (Italics ours.)

Respondents conceded that the date of expiration of the monopoly was March 21, 1916 (17 years from the issue of the *first* patent) whether that be evidenced by the first or the second patent and the decree was entered in conformity therewith. For convenience and brevity the

second patent was referred to by number in the decree (Rec. p. 39) but the decision of the court was based squarely on the grant of monopoly right irrespective of the particular patent that evidenced the same.

That fact appears beyond dispute from the decision of the District Court construing its decree (Rec. pp. 242, 245), in which the Court said at page 245:

"It may be well at this point to recur to the views entertained by this Court upon the original hearing. The real question was conceived to be, whether Christensen had obtained a monopoly grant from the Government, no matter how evidenced, provided only the evidence, such as it was, should, in the aggregate, show a compliance with the Patent Laws. And the effect of the decision was and is this: That Christensen obtained a patent from the Government, that the grant could not be invalidated because of the incorporation in the so-called first patent of the fugitive sheets (sheet) nor by the mistake of renumbering the second and giving to the patentee, nominally, at least, an excessive term of monopoly."

Respondents base their argument upon the circumstance that the second patent was mentioned in the decree as their major premise. If that patent were not mentioned by number, the conclusions they seek to draw from the premise would fail. It is, therefore, important to see why the patent was mentioned in the decree. That it was mentioned for convenience only, and not because it was called for by the issues tendered by the bill and answer, is clear from the opinion of the District Court, and it is uncontroverted elsewhere; and when it comes to construing his own decree, that court speaks in a special sense *ex cathedra*.

Mr. Justice Holmes has amply expressed this doctrine in

*Steinfeld vs. Zeckendorf*, 239 U. S. 26, 30,  
where he uses the following language:

"The mandate issued within the memory of the present members of the court. \* \* \* In the time of Edward I. Hengham interrupted a discussion of the Stat., Westm. II, by saying: 'We know it better than you, for we made it. \* \* \* However it may be as to a statute, the objection seems reasonable when applied to a mandate.' \* \* \*"

The District Court said on the motion to dismiss:

"I may say preliminarily, that, when the substance of things is considered, there was no reason why the interlocutory decree entered by this Court should have categorically answered the question, whether Patent Number 635,280 is a valid patent. My own judgment is that the Bill did not tender that issue, though the issue which was in fact tendered upon the allegations, involved, obviously, conflicting contentions respecting the probative force of that patent or of the earlier patent—its evidentiary effect in supporting the broad claim of the Bill that Christensen obtained a valid grant. It cannot be gainsaid, that, had the decree of this Court recited the ultimate facts relative to the issuance of the two paper documents, and then adjudged that the grant evidenced by the identical claims of the two was valid and infringed, the decree would have been an entirely proper one, and, certainly, more in consonance with the Bill and the record in the case." (Rec. p. 248.)

On petitioner's appeal from this decree to the Circuit Court of Appeals for the Seventh Circuit (No. 2163) the matter was again argued and the position of the District Court was in all things affirmed and a mandate of affirmance issued thereon, said court at the time saying in its opinion dated October 5, 1915, (Rec. p. 44) :

"It is of no moment which of the two patents be held to be in force. The surrender for cancellation of the one was conditioned upon the grant of a valid legal substitute. If the Commissioner of Patents was without authority to issue the second, then, in our judgment his action in cancelling the first must be deemed legally ineffective. \* \* \* \* This is a case of a pure clerical error, not of double patenting. While two documents have been issued, there is but a single grant of one and the same right to the same person."

A motion for rehearing was made by petitioner and denied January 3, 1916, and it thereafter applied by petition to this court for a writ of *certiorari*, which was denied February 21, 1916. (Rec. p. 50, 241 U. S. 659.)

The amended bill further alleged notice to petitioner of plaintiff's monopoly right and contract as evidenced by the first or second patent or both and of infringement thereof and also alleged marking by respondents under the second patent (Rec. p. 22). The original bill relied on the second patent only, and the answer thereto did not

raise any question of marking under the second patent (Rec. pp. 26-30). As previously stated, this answer was by order on motion of petitioner allowed to stand as the answer to the amended bill as to certain defenses specified therein and it admitted by not denying the allegations of notice and infringement under the first and second patents and marking under the second patent. The reason why such issue could not be raised in this case by petitioner in view of its previous contracts and acts clearly appears from the testimony taken during the accounting proceedings made part of the record herein and which is commented on hereafter.

#### (B) THE PITTSBURGH LITIGATION.

After the affirmance of the decree finding the patent valid and infringed and on March 11, 1906, respondents Christensen and the Allis-Chalmers Manufacturing Company commenced an action in the United States District Court for the Western District of Pennsylvania against the Westinghouse Traction Brake Company (hereinafter called the Traction Brake Company) alleging infringement of the contract evidenced by the first and second patents. *No testimony was ever offered in open court and no proceedings were had therein.* Plaintiff Allis-Chalmers Manufacturing Company (the successor to respondent Allis-Chalmers Company) has always been a mere nominal party and plaintiff Christensen through financial inability in 1917 asked and obtained leave to dismiss the case without prejudice and an order was entered in accordance therewith February 24, 1917 (Rec. p. 104). At the same time by counter-motion defendants asked the court for a judgment on the bill and answer holding both first and second patents void. This motion the court denied. (Rec. pp. 101-104.)

The Traction Brake Company then presented to the Circuit Court of Appeals for the Third Circuit a petition for *certiorari* and mandamus asking that court to review the question as to the validity of the second patent as evidence of the grant as the facts appeared solely upon the bill and answer. The Court of Appeals heard the petition and decided that defendant was entitled to judgment on the bill and answer, that two patents could not at the same time evidence the same grant and therefore *as between the two patents only the first patent was valid, and the second patent was invalid.* This decision was made July 3, 1917



(Rec. p. 107, 243 Fed. 901), a mandate issued and a formal decree was entered in conformity therewith by the District Court in Pittsburgh October 1, 1917.

The issues made by the pleadings in the Pittsburgh case were radically different from those in the Wisconsin case in that *inter alia* the averment of marking under the second patent in the bill was denied by the answer. (Rec. p. 68.) In view of that issue the Court of Appeals said the question of which patent was valid was up for decision, as matter of law, on the bill and answer in that case as against that defendant, saying in its opinion:

"That, in addition to the facts thus charged and admitted, (the history of the cancellation of the first patent and the issue of the second) the bill also shows that the *question of validity as between the two patents has become important, because the bill also avers that the plaintiff's machines were marked under the second patent, but contains no such averment as to marking under the first patent—this being a matter that affects the accounting, if the first patent should be adjudged valid over the second. That the dates show that both patents have now expired, although if the first patent continued to be in force it did not expire until several days after the bill was filed. That as no injunction can now issue under either patent, the bill presents only a question of recovery and accounting, so far as these two are concerned.*" (Rec. p. 107.) (Italics ours.)

It is to be noted in passing that that court overlooked the limitation as to the term of the monopoly right being identical under both patents and the effect on the accounting of the question of notice, but decided merely the question of marking, as if there were no such limitations in the bill.

The court then considered the decision in the Seventh Circuit and after quoting therefrom and from Judge Geiger's decision at length said:

"We think it clear that the question now presented was not directly decided in the Seventh Circuit. As the suit there was begun in December, 1906, when both patents were only between 7 and 8 years old, the question which patent was in force was 'academic.' *One or the other was valid, and as the invention was identical the infringer was not harmed by being enjoined under one rather than the other.* In point of



fact the injunction was under the second patent, and this is the decree that was affirmed, although the opinion of the court of Appeals may be thought to lean toward the view that the first patent continued to be in force, and that the second patent had been erroneously granted.

"But while it may be regarded as a matter of indifference under which patent an injunction should be granted, the situation is changed when the question of accounting is presented. The two patents have different dates of expiration, and the question of marking is also to be considered. *We are therefore required now to decide between the two, for confessedly both cannot be valid, and in our opinion the decision should be in favor of the first patent.*" (Italics ours.) (Rec. p. 111.)

Following this the Court of Appeals issued its order (Rec. p. 113) and mandate (Rec. p. 114) reversing the District Court "so far and so far only as it affects" the first and second patents (there being other patents in the bill of complaint) "and the bill is reinstated for further proceedings in conformity with the opinion of this court." *This opinion, it will be noted, upheld the validity of the first patent in view of the issue of the second patent as all the facts appeared in the bill and answer and left all other issues subject to trial and determination by the District Court.*

It is further to be noted that the bill was not dismissed for want of equity as is stated in petitioner's brief on page 2 (see discussions thereof on pages 15 and 16) but the case was left on the calendar and the bill reinstated in so far as the claim for recovery was based on the first patent.

After the filing of the mandate the case was ordered set for trial by the Traction Brake Company without notice to plaintiffs and was called on October 1, 1917. Plaintiffs' counsel having no notice did not appear and Traction Brake Company moved and obtained a decree dismissing the suit as to the first patent for want of prosecution with leave to plaintiffs to apply for setting it aside during the term. The decree on its face stated that it was made because of the doubt by the court as to there having been any notice to plaintiffs. (Rec. pp. 198-9.)

Upon this order coming to the attention of plaintiffs' counsel they were satisfied therewith and permitted it to stand. Defendant Traction Brake Company also made

no attempt to change it. After the expiration of the term defendant Traction Brake Company attempted to plead that decree as *res adjudicata* in an action between the same parties on the same subject-matter pending in the United States District Court for the Northern District of Illinois. (Rec. pp. 201-226.) Becoming satisfied that the decree being one of *non pros.* was not a judgment on the merits and *res adjudicata* they applied to the Pittsburgh court for a decree "finally disposing of all the issues in this cause," (Rec. p. 200) and through misinterpretation of the mandate and by error obtained such a decree on January 7, 1918, in form dismissing the bill as to the first patent on the merits. (Rec. p. 200.)

This decree was entered during the time that Milwaukee and Chicago were isolated by a great storm and because of failure of notice of the application therefor to reach plaintiffs' counsel in Milwaukee. Notice did not arrive until January 7th, when plaintiffs' counsel finally got Pittsburgh on the long distance telephone and ascertained that the decree had actually been entered and the next day filed a petition to vacate the decree. (Rec. pp. 212, 209.) This motion was argued at length and granted. On March 11, 1918 the decree was vacated and another decree entered reinstating and confirming the decree of October 1, 1917, and again dismissing as to the first patent for want of prosecution. (Rec. p. 218.) To this the Traction Brake Company excepted and their exceptions and the rulings of the court are made a matter of record. (Rec. p. 217.) At the same time Judge Orr wrote an opinion giving his reason for vacating the decree of January 7, 1918, on the merits. It is to be noted he said

"that decree is not in conformity with the facts, inasmuch as it states that as to patents Nos. 621,324 and 635,280 the bill of complaint is dismissed on the merits. The merits of the controversy were not considered by the court." (Rec. pp. 214-25.)

Defendant Traction Brake Company then filed in the Court of Appeals for the Third Circuit a further and supplemental petition for mandamus and *certiorari* to review this decree entered by Judge Orr. (Rec. p. 191.) The plaintiffs answered this at length (Rec. p. 219) and the case was later argued before the Court of Appeals of the Third Circuit. The result was an affirmance as shown by the certified copy of the opinion, (Rec. p. 235) and the

Court of Appeals refused to interfere with or in any way reverse the action taken by the District Court.

The result of this entire Pittsburgh litigation is therefore this: The Court of Appeals of the Third Circuit has held that respondent Christensen had a valid patent, that that patent was as to the defendant Traction Brake Company evidenced by the first patent, and therefore, not evidenced by the second, and that as to that defendant the second patent was not valid as evidence thereof, that the respondent's right to recover against the defendant was not affected thereby, and finally, that the bill as to the first patent should stand dismissed for want of prosecution without any hearing on the merits.

(C) ORIGINAL PROCEEDING IN THE COURT OF  
APPEALS FOR THE SEVENTH CIRCUIT TO  
DISMISS THE WISCONSIN SUIT.

Petitioners having unsuccessfully applied to the District Court for the Eastern District of Wisconsin for dismissal of the bill conceived the idea that that court had no jurisdiction to entertain the petition that they had made, and therefore, filed an original petition in the Circuit Court of Appeals for the Seventh Circuit.

This original petition (Rec. p. 1) was filed in the United States Circuit Court of Appeals for the Seventh Circuit on August 19, 1918 (almost 3 years after its affirmation of the decree of the District Court for the Eastern District of Wisconsin) and asked that court to assume jurisdiction, to determine summarily the merits of the claim of *res adjudicata*, withdraw its mandate issued in 1914, and summarily dismiss the entire proceeding then pending in the said District Court.

The petition referred to was addressed to the Court of Appeals for the Seventh Circuit and called on its alleged supervisory power over the District Court. Whatever the petitioner may have neglected to call it—and it was careful not to name it too closely—it was really and in essence a petition for a writ of prohibition. It is aptly described by the Court of Appeals in its opinion in the following language:

*"And now petitioner comes before us in an original proceeding, asking that we recall our mandate, vacate*

our decree, find that the Pennsylvania decree is *res adjudicata* in this case, and thereupon direct the vacation of the Wisconsin decree and the dismissal of the bill on the merits." (Italics ours.) (Rec. p. 257.)

In the verified petition for writ of *certiorari* filed in this court the petitioner therein also describes the petition as "this original proceeding entitled as above, '*National Brake & Electric Company, Petitioners, v. Niels A. Christensen and Allis-Chalmers Company, Respondents*.' An application for an order directing dismissal of bill brought in the United States District Court for the Eastern District of Wisconsin'." (Petition p. 10.)

The same position was unqualifiedly taken in petitioner's brief in support thereof, where it states that it desires the review of "a single and simple proposition of law,—which was made against it in an *original proceeding*, brought by it in said Circuit Court of Appeals." (Italics theirs.) (Petitioner's Brief p. 11.)

Respondents appeared in the said Court of Appeals and made answer to the petition and after an argument the Court of Appeals sustained respondents' contention, and held in the decree now sought to be reviewed by this court that the decree entered August 21, 1914, determined the merits of the controversy between the parties to that particular action, that the term having more than two years expired it had lost jurisdiction thereover. It also said that the decree was final as between the parties and completely terminative of the litigation in so far as it had been presented to and was passed upon by that Court. We bespeak your Honors' careful attention to the close and masterly reasoning of the opinion as the same appears in the Record pages 256 to 263.

To review this denial of said petition a petition for *certiorari* was presented to this court and granted, and the matter is now pending here.

After the granting of the writ of *certiorari* by this court on June 9, 1919, the petitioner filed a further motion in the District Court in Wisconsin to stay the accounting proceedings. This was opposed on the ground that the *certiorari* brought up for review merely the special proceeding in the Court of Appeals, that it was independent of and separate from the equity suit then pending in the District Court in Wisconsin for accounting under the patent. The district Judge sustained this contention, saying:

"It may be conceded as quite elementary that ordinarily the issuance of a writ of certiorari carries with it a supersedeas. But I cannot escape the conviction that the judgment which is the subject of the present proceedings in this court, is not at all affected, either by the petition filed in the Circuit Court of Appeals, nor by the certiorari issued by the Supreme Court. Such petition, filed three years after the Circuit Court of Appeals had exhausted its appellate jurisdiction,—and the latter was the only jurisdiction ever invoked,—is clearly of the nature of an original proceeding, and, in my judgment, particularly in view of the refusal of the Court of Appeals to grant the relief prayed for, reaches neither the judgment nor this court.

• • • •

"It has seemed to me that whatever the character of the petition filed in the Court of Appeals, the situation in this court so far as affected by that petition and its attempted review by the Supreme Court, is no different than if the declared purpose had been to obtain leave of the Court of Appeals to file a supplemental bill in the nature of a bill of review in this court,—based upon the proceedings in the Third Circuit. If in such situation the Appellate Court refused leave, it could hardly be said that a certiorari to its ruling reached the judgment which, under the original mandate then rested in the District Court for exclusive enforcement." (Quoted in full as Appendix A to petitioner's brief in opposition to motion for writ of prohibition herein.)

A similar motion was later made by petitioners in the Court of Appeals and was denied October 7, 1919 for want of jurisdiction.

They then applied to this court for a writ of prohibition or mandamus which was returnable on October 27, 1919, which was denied November 10, 1919.

For further analysis of the original nature of this proceeding we respectfully refer to our brief on file on the motion to dismiss the writ of certiorari and ask that the subject-matter thereof be read in connection herewith as that motion is to be argued at the same time as the argument on the merits.

## SUMMARY OF THE VARIOUS LITIGATIONS.

In order that the divers and sundry proceedings, petitions for writs, decrees, etc. may be clearly followed we include a chronology of the three litigations as an appendix to this brief. This it is thought will facilitate an understanding thereof inasmuch as said litigations as they appear in the record are found in different places and are nowhere set forth in the order of time.

## OUTLINE OF ARGUMENT.

1. The writ of certiorari should be dismissed for want of jurisdiction.

2. The decree of the Wisconsin District Court of August 21, 1914, as affirmed by the Circuit Court of Appeals of the Seventh Circuit on October 5, 1915 was final and settled the law of the case.

3. The District Courts and the Circuit Courts of Appeal in both Seventh and Third Circuits have found a grant of patent monopoly right in the respondent Christensen for a combined pump and motor and there is no conflict between the circuits.

4. The rights of respondents are identical under the first and second patents. There is no question of want of notice or marking in the Wisconsin case.

5. There is no question of double patenting. Respondent Christensen was concededly granted a valid patent. The only question is an academic one as to the proper method of correcting clerical errors.

6. The rulings in the Pittsburgh litigation in the Third Circuit were not *res adjudicata* here because (a) the issues in the two cases were different, (b) the merits of the controversy in the Wisconsin case were not therein involved or decided, (c) the decisions in the Pittsburgh case were not decisions on the merits and therefore can form no basis for pleas of *res adjudicata*, and (d) there is no privity of parties.

7. There is no decree in the Pittsburgh litigation against respondents or their privies on the merits of the first patent. If privity be assumed, there is a decree in that litigation which is binding on the parties hereto and which upholds the validity of the first patent in view of the issue of the second.

8. In any event this court has power (if it has jurisdiction), if it deems it necessary or advisable to disregard the reference to the second patent or, if necessary, to construe the mandate and decree so as to refer to the monopoly right or contract irrespective of patent numbers or with particular reference to the first patent.

## ARGUMENT.

### I.

#### THE WRIT OF CERTIORARI SHOULD BE DISMISSED FOR WANT OF JURISDICTION

Pursuant to the order of this court made on the 17th day of November, 1919, respondents' motion to dismiss for want of jurisdiction was ordered to be argued orally in connection with the argument on the merits. Respondents hereby renew their said motion and in support thereof ask the court to read and consider their printed brief heretofore served and now on file. It is not deemed necessary under the rule to reprint that portion of the argument as it is understood that the court will read the two briefs together. We wish in this connection to add to the case of *Odell vs. F. C. Farnsworth & Co.*, 250 U. S., 501, cited on pp. 9-11 thereof, (the volume being there miscited), the following cases:

*H. C. Cook vs. Beecher*, 217 U. S. 497.

*Briggs vs. United Shoe Machinery Co.*, 239 U. S. 48.

As to the question of the original nature of the proceeding in the Court of Appeals of the Seventh Circuit as it bears on the jurisdictional questions here, petitioner is *dominus litis*, and the proceeding is to be characterized solely by the mould in which he first cast his petition and the name that he first gives to it, and he is thereby estopped to claim it to be anything else. We wish to cite the following additional authorities thereto:

*The Fair vs. Kohler Die & Specialty Co.*, 288 U. S., 22, 25.

*Healy vs. Sea Gull Specialty Co.*, 237 U. S., 479.

*Hanover Milling Co. vs. Metcalf*, 240 U. S., 403.

*Davis vs. Wakelee*, 156 U. S., 680.



*Phil. etc. R. R. Co. vs. Howard*, 54 U. S., 307.

*Railway Co. vs. McCarthy*, 96 U. S., 258.

*Robb vs. Voss*, 155 U. S., 13.

*Putnam vs. Day*, 22 Wall., 60-67.

## II.

THE DECREE OF THE WISCONSIN DISTRICT COURT OF AUGUST 21, 1914, AS AFFIRMED BY THE CIRCUIT COURT OF APPEALS OF THE SEVENTH CIRCUIT ON OCTOBER 5, 1915, WAS FINAL AND SETTLED THE LAW OF THE CASE.

*The Decree is Final Both Inherently and as to Time.*

The decree and decision in the Seventh Circuit which petitioner seeks to overturn was rendered in the District Court on the 21st of August 1915, and affirmed by the Court of Appeals in October 1915, and antedates by several years the decree in the District Court in Pittsburgh which they now offer to plead in bar. The situation presented is not the one usually presented in which a decree prior in time is offered as terminative of a litigation then pending and undetermined in another circuit. On the contrary it is an attempt to make the Court of Appeals of the Seventh Circuit take jurisdiction, recall a proceeding which has not been in that court for three years, and flatly reverse itself not only as to the questions it has decided, but as to other questions which were not decided by the court in the Pittsburgh litigation.

*Such Decrees Repeatedly Held Final By This Court.*

The Circuit Court of Appeals in its decisions was entirely right and supported by precedent in holding this decree final in essence though interlocutory in form and time. It is sustained in that conclusion by decisions of this court. One of the first that we have found is

*Stovall vs. Banks*, 10 Wallace, 583.

A decree which adjudged a sum of money to be due from an administrator to distributees was held a final decree although it contained an added direction that the defendant be allowed credit for the amount of any notes held by him against any of the distributees and that the shares of some of the distributees shall be subject to rat-



able deduction for fees yet unpaid for the collection of notes belonging to the defendant; that such decree being final could be read in evidence in a suit on the administrator's bond, the court stating on page 586:

"Even if the sum decreed was left indeterminate, it was certainly adjudicated that the complainants were entitled to participate in the distribution, and the extent of their interest was defined. . . .

It is not unusual in courts of equity to enter decrees determining the rights of parties, and the extent of the liability of one party to the other, giving at the same time a right to apply to the court for modifications and directions. *It has never been doubted that such decrees are final.* They are all that is necessary to give to the successful party the full benefit of the judgment. In Daniell's Chancery Practice, the effect of allowing the privilege of making such applications to the chancellor, is stated to be no alteration of the final nature of the decree. Says the author, 'A decree with such a liberty reserved is still a final decree, and, when signed and enrolled, may be pleaded in bar to another suit for the same matter.' So in *Mills vs. Hoag*, it was said that 'a decree is not the less final in its nature, because some future orders of the court may possibly become necessary to carry such final decree into effect.' (Italics ours).

In a later case this court ruled just as the Circuit Court of Appeals did here.

*Hill vs. Chicago & Evanston Railroad Co.*, 140 U. S., 52.

In that case plaintiff brought a bill in equity to compel the transfer of certain stock of the defendant and for other relief, suit being brought against numerous defendants, and involving several contracts and transactions. The Circuit Court of the Northern District of Illinois upon the hearing entered a decree June 8, 1885, dismissing the bill against some of the defendants but giving relief to the plaintiff as to other of the defendants and referred the amount to be recovered to a Master. The defendants, against whom the case was thus retained, were the Chicago & Evanston Railroad Co. and its directors. From this decree plaintiff prayed an appeal, which was dismissed because the record was not filed in time. See

*Hill vs. Chicago & Evanston Railroad Co.* 129 U. S., 170.

The Master took testimony, made his report, and on July 14, 1887, the court entered a decree against the defendant for the sum of \$6513.00 and that all other relief is denied and the bill be dismissed against the other defendants. The case came before the Supreme Court on an appeal from the decree of 1887, the court stating the issue as follows on pages 53 and 54:

"The case is now before the court upon this last appeal, and the question is whether, upon it, any of the matters which were determined by the decree of June 8, 1885, are again open for consideration.

"We are of the opinion that the decree of June 8, 1885, was a final decree within the meaning of that term in the law respecting the appellate jurisdiction of this court, as to all matters determined by it, and that they are closed against any further consideration. It disposed of every matter of contention between the parties, except as to the amount of one item, and referred the case to a master to ascertain that. \* \* \* The rights and liabilities of all the parties were in other respects determined.

"But there was no adjudication as to the payment of the amount to be ascertained by the master; that remained unsettled. It was, however, a severable matter from the other subjects of controversy and did not effect their determination. \* \* \* The decree of June 8, 1885, was appealable as to the matters which it fully determined; so also was the decree of July 14, 1887, as to the severable matter which it involved."

This court held that on this appeal from the decree of 1887, it could not go into the merits of the decree of 1885 as that decree was final, although it should be noted that the defendants not dismissed by the decree of 1885 were still before the court on this appeal of the plaintiff.

In the case of

*Lewisburg Bank vs. Sheffey*, 140 U. S., 445, this court held a decree which determines the whole controversy between the parties is final for purposes of appeal although the court retained the funds in controversy for the purpose of distribution in a case involving trust deeds, stating on page 452:

"It is there shown that where the entire subject matter of a suit is disposed of by a decree the mere fact that accounts remain to be adjusted and the bill

is retained for that purpose, does not deprive the adjudication of its character as a final and appealable decree.

"It is true, as pointed out by Mr. Justice Field in *Hill vs. Chicago & Evanston Railway, supra*, that an appeal may be taken from a decree in an equity cause, notwithstanding it is merely in execution of a prior decree in the same suit, for the purpose of correcting errors which may have originated in the subsequent proceeding."

It will be seen from this language that the decree holding the Christensen patent valid and infringed is final as to those matters and that a decree entered in pursuance of the Master's report would be merely a decree carrying into effect the prior decree and could only be appealed from, as was held in the Hill case as well, as to matters involving error in the master's determination of damages or profits.

*French vs. Shoemaker*, 79 U. S., 86, was a case in equity involving leases and contracts, in which the court states on page 98:

"Several cases might be referred to where it is held that a decree of foreclosure and sale of mortgaged premises is a final decree, and that the defendant is entitled to his appeal without waiting for the return and confirmation of the sale by a decretal order upon the ground that the decree for foreclosure and sale is final as to the merits, and that the ulterior proceedings are but a mode of executing the original decree.

"Unquestionably the whole law of the case before the court was settled by the Chief Justice in that decree, and as nothing remains to be done, unless a new application shall be made at the foot of the decree, the court is of the opinion that the decree is a final one, as it has conclusively settled all the legal rights of the parties involved in the pleadings."

In

*Bronson vs. La Crosse and Milwaukee Railroad Company*, 2 Black 524, 4 U. S., 798, this court held that a decree in a foreclosure suit which ascertains the amount due and directs the land to be sold in default of payment, is a final decree. The case came up on appeal from the District Court of Wisconsin, this court stating on page 803:

"This decree is not final, in the strict technical sense of the word, for something yet remains for the court below to do. But as was said by Chief Justice Taney, in *Forgay et al. vs. Conrad*, (6 How. 203) 'this court has not therefore understood the words '*final decree*,' in this strict and technical sense, but has given to them a more liberal, and, as we think, a more reasonable construction, and one more consonant to the intention of the legislature.' "

The court rested its decision on the ground that when the mortgage was foreclosed and a sale ordered, the merits of the controversy were finally settled, and the subsequent proceedings were simply a means of executing the decree.

*Barney vs. Winona & St. Peter Railroad Company*, 117 U. S., 228.

In this case the court refused to consider matters considered in its first decision, wherein it reversed the decree of the lower court and sent the case back for a proper computation of the amount of property to which the plaintiffs were entitled before a Master, the court stating on page 231 :

"We recognize the rule that what was decided in a case pending before us on appeal, is not open to reconsideration in the same case on a second appeal upon similar facts. The first decision is the law of the case, and must control its disposition; but the rule does not apply to expressions of opinion on matters the disposition of which was not required for the decision."

This court also said in

*Providence Rubber Co. vs. Goodyear*, 76 U. S., 778, 801:

"The rights of the parties are settled by the decree and nothing remains but to ascertain the damages and adjudge their payment."

*The Courts of Appeal have also held such decrees final.*

The federal courts have frequently ruled that a decree of this sort is final for the purposes here in question.

In *Tuttle vs. Claflin et al*, 66 Fed., 7 (C. C. A., 2d Cir.),

a decree was entered finding infringement of a patent and ordering an accounting. The court held on page 8:

"\* \* \* we think the decree has all the essential elements of a final decree, and may properly be treated as such."

*In Caballero et al vs. Succession of Criado*, 250 Fed., 345 (C. C. A., 1st Cir.)

it was held that under the code finality for purposes of appeal means finality in form as distinguished from finality in substance, the court saying on page 348:

"This was the basis of the decision in *Winthrop Iron Co. vs. Meeker*, 109 U. S., 180, 183, 3 Sup. Ct. 111, 27 L. Ed., 898, a case relied upon by the defendant. There it was held that, as the record disclosed that the merits of the case involved in the litigation had terminated, and nothing remained to be done but to carry what had been decreed into execution, the decree was final."

*Jackson vs. Jackson*, 175 Fed., 710 (C. C. A., 4th Cir.),

was a suit for partition. The court held that the plaintiff had no title to the property, but retained the bill for the purpose of ascertaining the condition of the accounts between the plaintiff and others. The appellate court held this decree to be final, stating on page 715:

"By the decrees sustaining and overruling the demurrers, and dismissing the bill as to some of the demurrants, every contention raised by complainant was disposed of, except as to the account referred to, and thereby the rights of the parties were ascertained and adjudged."

The Circuit Court of Appeals of the Eighth Circuit held in

*Chase vs. Driver*, 92 Fed., 780, (C. C. A., 8th Cir.)

as follows:

"A decree is final which terminates the litigation between the parties on the merits of the case, fixes their rights and liabilities and leaves nothing to be done but to execute it, although the case may be referred to a master to state an account, or to determine questions incidental to its execution. *St. Louis I. M. & S. Ry. Co. vs. Southern Express Co.*, 108 U. S., 24, 29, 2 Sup. Ct. 6; *Bank vs. Shedd*, 121 U. S., 74, 84, 85, 7 Sup. Ct., 807; *Hill vs. Railroad Co.*, 140 U. S., 52, 54, 11 Sup. Ct., 690."

The Circuit Court of Appeals of the Ninth Circuit held in

*The Eugene*, 87 Fed., 1001, (C. C. A., 9th Cir.) that a decree in admiralty awarding a definite sum directing the sale of a vessel and payment of the proceeds into the register subject to the further order of the court, is a final decree.

The following cases hold that a final judgment or determination of a substantial right for which the action is brought is not necessarily the last judgment rendered in the case, and where a court of equity determines the right of the parties to land in question but orders an account for rents and profits, such judgment is final notwithstanding a supplemental judgment may be required on returning the account.

*McMurray vs. Day*, 70 Iowa, 671; 28 N. W., 476.

*Rhodes vs. Rhodes*, 172 Ill., 181; 50 N. E., 170.

*Standley vs. Roberts*, 59 Fed. 836 (C. C. A., 8th Circuit).

In *Long vs. Maxwell*, 59 Fed., 948 (C. C. A., 4th Circuit), there is an opinion by Justice Fuller. A decree for specific performance was rendered during a conveyance to be afterwards presented to the judges for their approval and an appeal was taken from the order approving the conveyance. The court held that the first decree was final and that the court could not consider on the second appeal matters contained therein, but could consider only those matters in the subsequent decree, the court stating on p. 950:

"The reservation for further directions simply related to such execution, and could not be availed of as rendering the decree less final, or leaving open points expressly decided when it was entered."

In *Scott vs. Hore*, 21 Fed. Cases 834, Fed. Cas. No. 12535

the court says, (p. 836):

"\* \* \* Of course it would be exceedingly empirical to hold that a final decree is the order entered last in point of time, in a cause. A final decree is one which finally adjudicates the questions of right and of law involved in a cause, and proceeds to provide with reasonable completeness for the execution of such measures as may be necessary and proper for placing successful suitors in possession of the rights decreed to them."

In *Tornanses vs. Melsing et al.*, 106 Fed., 775, the court held that an order of the District Court taking the possession of property from one claiming ownership but turning the same to a receiver with instructions to work the same as a mine, is, in effect, a final appealable decree although that decree provided that the receiver was to dispose of the proceeds "subject to the further orders of the court," the court stating on page 786:

"\* \* \* \* He may prefer to hold it for sale or other disposition; yet, under such orders as are here involved, the operations of the receiver of necessity constantly exhaust the very substance of the property, and may speedily render it absolutely worthless. Surely, the authority, by whatever name called, under which such a result may be wrought, is, in effect, a final judgment. As was said by the Circuit Court of Appeals for the Third circuit in *Potter vs. Beal*, 2 C. C. A. 60, 50 Fed. 860, the determination of the question as to what is or is not a final decree 'is to be governed by the essence of what is done and not by the appellation given to it'."

In the case of

*Marian Coal Co. vs. Peale*, 204 Fed., 161, 163 (opinion by McPherson, J., who wrote the opinion in the Pittsburgh case), where also "*additional testimony*" besides the accounting was to be taken by the Master, it was held that the decree was while in "*form*" "*rather interlocutory*" yet in truth it was really "*final*."

Other well reasoned cases might be quoted from at length, but as this part of our brief is already quite long, we shall merely refer to the citations:

*Linde Air Products Co. vs. Morse Dry Dock & Repair Co.*, 246 Fed., 834, at 836. (C. C. A. 2nd Cir.)

*City of Des Moines vs. Des Moines Water Co.*, 230 Fed., 570. (C. C. A. 8th Cir.)

*De Long Hook & Eye Co. vs. Francis Hook, Eye & Fastener Co.*, (Cir.), 159 Fed., 292.

Following the decision in the Christensen case the Circuit Court of Appeals of the Seventh Circuit decided *Freeman-Sweet Co. et al. vs. Luminous Unit Co.*, 264 Fed., 107,

in which it reaffirmed its ruling in the Christensen case as to the finality of the decree.

We also call attention to the numerous cases cited by Judge Baker in the opinion herein sought to be reviewed.



*The Decree is also Sustainable as the Law of the Case.*

We submit that the logic of Judge Baker's decision is sound; that he is supported by the weight of authority, and that the confusion as to the effect of a decree of this kind arises primarily out of the fact that it has frequently been called an interlocutory decree. The mere fact that it is not final in time or form does not make it any the less final in substance. While the Circuit Court of Appeals of the Seventh Circuit held that its prior decree was final in essence and not subject to review, it is not necessary to go that far in order to sustain that decision. The decision is entirely sound and sustainable on the theory of law of the case aside from the question of finality of the decree. Counsel for petitioner argue that the Court of Appeals has confused the law of the case with the rule of finality of decree and rely upon

*Messenger vs. Anderson*, 225 U. S., 436.

Such is not the case. The doctrine of law of the case and of res adjudicata are but phases of one and the same rule. They are not separate and distinct and independent rules as counsel for petitioners argue. The Messenger case holds the phrase "Law of the Case" as applied to the effect of previous decree on the later action of the court rendering them in the same case, merely expresses the practice of courts generally to refuse to reopen what has been decided, not as a limit to their power.

We claim the rule to be that when a question has been determined by a trial court and affirmed by an appellate court the law of the case is settled in so far as it has been passed on and will not be re-considered on a subsequent appeal. This is a salutary rule and one which has been approved numerous times by this court. True the Messenger case holds that this rule is not a limitation of power. Judge Baker did not decide this case directly on the point that the law of the case had been settled. Concluding as he did that the decree of the Wisconsin court was final for the purposes there under consideration he did not reach any other questions nor discuss the question of the law of the case. The decision sought to be reviewed is so well reasoned and logical that we hesitate to supplement Judge Baker's discussion of that question. We believe, however, that it was not necessary for him to have ruled that the so-called interlocutory decree was final in essence because whether it was final for all purposes or not it was final to the extent that in so far as that court



was concerned it was not obligated to re-open the case to permit proof of a asserted contrary decision elsewhere.

Whether the Circuit Court of Appeals originally was right or not is not important now. Petitioner must show not only that the Circuit Court of Appeals *might* have entertained this petition there, but it must go further and show that the Circuit Court of Appeals *was obliged* to do so. That that court was not obliged to do so is clearly shown by the Messenger case cited in petitioner's brief and by many other decisions.

The general rule is undoubted that upon the second appeal the Appellate Court can consider and determine only those matters that were expressly left open by it for further adjudication or consideration .

*This Court has Adhered to the Rule of the Law of the Case.*

This court has stated the rule in

*Illinois vs. Illinois Central R'd Co.*, 184 U. S. 77, 91.

On the decision on the first writ of error this court determined certain questions of ownership by the Illinois Central R'd Co. of certain piers, docks and wharves constructed by it on the lake front in the city of Chicago and remanded the case for the purpose of considering the question as to how far those piers, etc., projected into the lake. After the case had been tried the second time and was taken to this court on the second writ of error an attempt was made to review all of the questions involved on the first appeal, and this court said (p. 89) :

"The mandate of this court embodied the above extract from its opinion, and upon the return of the causes to the Circuit Court the parties took additional proof on the single matter so reserved for investigation."

In *Sibbald vs. United States*, 12 Pet., 488, 492, this court said:

"A final decree in chancery is as conclusive as a judgment at law. 1 Wheat., 355; 6 Wheat., 113, 116. Both are conclusive on the rights of the parties thereby adjudicated. No principle is better settled, or of more universal application, than that no court can reverse or annul its own final decrees or judgments, for errors of fact or law, after the term in which they

have been rendered, unless for clerical mistakes, 3 Wheat., 591; 3 Peters, 431; or to reinstate a cause dismissed by mistake, 12 Wheat., 10; from which it follows, that no change or modification can be made, which may substantially vary or affect it in any material thing. \* \* \* \* Whatever was before the court, and is disposed of, is considered as finally settled. The inferior court is bound by the decree as the law of the case; and must carry it into execution, according to the mandate. They cannot vary it, or examine it for any purpose than execution; or give any other or further relief; or review it upon any matter decided on appeal for error apparent; or intermeddle with it, further than to settle so much as has been remanded. After a mandate, no rehearing will be granted, and on a subsequent appeal, nothing is brought up, but the proceeding subsequent to the mandate. 5 Cranch, 316; 7 Wheat., 58, 59; 10 Wheat., 443.'

In *Roberts vs. Cooper*, 20 How., 467, 481, this court said:

"On the last trial, the Circuit Court was requested to give instructions to the jury contrary to the principles established by this court on the first trial, and nearly all the exceptions now urged against the charge are founded on such refusal. But we cannot be compelled on a second writ of error in the same case to review our own decision on the first. It has been settled by the decisions of this court, that after a case has been brought here and decided, and a mandate issued to the court below, if a second writ of error is sued out, it brings up for revision nothing but the proceedings subsequent to the mandate. None of the questions which were before the court on the first writ of error can be reheard or examined upon the second. To allow a second writ of error or appeal to a court of last resort on the same questions which were open to dispute on the first, would lead to endless litigation. In chancery, a bill of review is sometimes allowed on petition to the court; but there would be no end to a suit if every obstinate litigant could, by repeated appeals, compel a court to listen to criticisms on their opinions, or speculate on chances from changes in its members. \* \* \* \* We can now notice, therefore, only such errors as are alleged to have occurred in the decisions on questions which were peculiar to the second trial.' To the same effect

are numerous cases, some of which are cited in the margin."

In the case of *in re Sanford Fork & Tool Company*, 160 U. S., 247, 255, this court said:

"When a case has been once decided by this court on appeal, and remanded to the Circuit Court, whatever was before this court, and disposed of by its decree, is considered as finally settled. The Circuit Court is bound by the decree as the law of the case."

*The Various Courts of Appeal Uphold the Law of the Case.*

The Circuit Courts of Appeal had previously laid down and adhered to this general rule in no uncertain terms. It is said in

*Standard Sewing Mach. Co. vs. Leslie*, 118 Fed., 557 (C. C. A. 7th Cir.):

"To solve the questions presented by the remaining assignments, it is necessary to understand the former decisions in this cause; for it is a familiar and entirely righteous rule that a court of review is precluded from agitating the questions that were made, considered, and decided on previous reviews. The former decision furnishes 'the law of the case' not only to the tribunal to which the cause is remanded, but to the appellate tribunal itself on a subsequent writ or appeal. *Roberts vs. Cooper*, 20 How., 467, 481, 15 L. Ed., 969: 'There would be no end to a suit if every obstinate litigant could, by repeated appeals, compel a court to listen to criticisms on its opinions, or speculate on chances from changes in its members.'"

The following cases in that court clearly substantiate this general rule:

*Supreme Lodge, etc. vs. Lloyd*, 107 Fed., 70, (C. C. A., 7th Cir.)

*Cable vs. U. S. Life Ins. Co.*, 111 Fed., 19-32 (C. C. A., 7th Cir.)

In *Western Union Telegraph Co. vs. City of Toledo*, 121 Fed., 734, 736 (C. C. A., 6th Cir.) the court used the following language:

"Much argument is expended with a view to induce the court to modify its former decision. But this ought not to be expected. That decision became the law of the case upon all the questions determined

thereby; and, whatever may be our power in that regard, considering that the former decision was upon an order granting a preliminary injunction, it is our duty to adhere to the determinations there made. Otherwise they would remain continually open. *Stoll vs. Loving* (a case lately decided by this court), 120 Fed., 805." See also

*Halcy vs. Kilpatrick*, 104 Fed., 647 (C. C. A., 8th Cir.)

*Stoll vs. Loving*, 120 Fed., 805 (C. C. A., 6th Cir.)

The rule as to the law of the case applies equally to all decrees. If the appeal be from an interlocutory decree the judgment rendered is no less the law of the case than if the appeal be from the final decree. The rule is thus stated in 4 C. J., 1104:

"Questions decided on appeal from an interlocutory decree will not be reconsidered on appeal from the final decree, and when no new questions are presented on appeal from a final decree that were not fully considered and settled on appeal from an interlocutory decree, the decree must be affirmed."

In *Brown vs. Lanyon Zinc Co.*, 179 Fed., 309 (C. C. A., 8th Cir.), the court speaking through Van Devanter, C. J., held that the decision on an interlocutory decree in a patent case was the law of the case and was not subject to further review. Speaking of the question of infringement at page 310 of the decision he said:

"That ruling turned upon the interpretation of the claim in suit and is now a part of the law of the case, whether it was right or wrong."

The extent to which the courts have gone, and properly gone, in upholding this rule is shown in

*Mecanno vs. John Wanamaker*, 250 Fed., 250 (C. C. A. 2d Cir.)

In that case the court squarely took the position that a so-called interlocutory decree finding the patent valid and infringed became after affirmance by the appellate court a final decree and as such was no longer subject to be questioned anywhere throughout the litigation. The question arose in that case through a motion made "for a decision on the merits" after the plaintiff had applied for a patent and injunction. An interlocutory decree had previously been obtained in another circuit and affirmed

on appeal and that formed the basis for the motion on the theory that it had thus become a final adjudication. In disposing of this motion the court at page 252 said:

"We further disregard the objection that the Ohio decree is still only interlocutory, and therefore under general principles cannot in any event constitute an estoppel. How far this rule may be changed when there has been a decision upon an appeal from such a decree, and the cause has been remanded to the district court, we do not say. The reason for the rule limiting the conclusiveness of interlocutory decrees does not apply; i. e., that the decree still remains in gremio, since the District Court has no longer any power to modify so much as has been affirmed by the Circuit Court of Appeals. For the purposes of this motion, we may assume that, as far as concerns the matters before the Circuit Court of Appeals, the issues have been finally and conclusively determined."

The question raised by this motion was as to which shall be paramount, the decision of the Circuit Court of Appeals of the Seventh Circuit in affirming the decree of August 21, 1914, or the decision of the United States Court for the Western District of Pennsylvania, of October 1, 1917.

*The Ellis Case in this Court is an Exact Parallel.*

The exact question thus raised has been raised and decided in the case of

*Ellis vs. Northern Pacific Railroad Company*, affirmed by this court as *Northern Pacific Railroad Company vs. Ellis*, 144 U. S., 458. In that case plaintiff brought an action to quiet title and was met with a demurrer. On appeal to the Supreme Court of Wisconsin a decision was rendered sustaining the demurrer and the case was remanded for further proceedings. Thereupon plaintiff moved for leave to file a supplemental complaint and to plead a judgment that had subsequently been obtained in the Federal Court for the Western District of Wisconsin which adjudicated the same questions between the said parties, and upon the matter again coming to the Supreme Court of Wisconsin for review it was held that the previous decision on demurrer settled the law of the case and that that could not be changed or affected by

pleading the other judgment in bar. A writ of error was thereupon sued out to this court to review this decision and the decision was affirmed. Chief Justice Fuller, speaking for the court in that case, said:

"The judgment before us was rendered in accordance with well-settled principles of general law, not involving any Federal question, and did not deny to the decree of the Circuit Court the effect which would be accorded under similar circumstances to the judgments and decrees of the state court."

The Federal Courts have adhered to the rule of the law of the case in the same way that the state courts have and there are earlier decisions in the same circuit to that effect—thus,

*Standard Sewing Machine Co. vs. Leslie*, 118 Fed., 557 (C. C. A., 7th Cir.)

*Supreme Lodge etc. vs. Lloyd*, 107 Fed., 70 (C. C. A., 7th Cir.)

*Cable vs. United States Life Insurance Co.*, 111 Fed., 19-32 (C. C. A., 7th Cir.)

*Standard Elevator Co. vs. Crane Elevator Co.*, 76 Fed., 767, 768, 769. (C. C. A. 7th Cir.)

*Featherstone vs. Machine Co.*, 80 Fed., 918, 920. (C. C. A. 7th Cir.)

Some of the recent decisions are:

*Orcutt & Son Co. vs. Nat'l Trust & Credit Co.*, 265 Fed., 267 (C. C. A., 7th Cir.)

*Bodkin vs. Edwards*, 265 Fed., 261 (C. C. A., 9th Cir.)

*Whitfield vs. Hauges*, 266 Fed., 69 (C. C. A., 8th Cir.)

Where, however, a case comes to the Supreme Court of the United States on certiorari from a final decree from a court of appeal the whole record being before that court for the first time the decision of the court of appeals on the intermediate appeals cannot be said to have settled the law of the case for the Supreme Court. In one of the recent cases discussing this very phase this court has indicated that the doctrine of the law of the case is a proper and salutary rule and that while it may not be based on want of jurisdiction to act it is based upon the same principles of jurisprudence which underlie all the doctrines of *res adjudicata*, i. e., a proper unwillingness to unsettle by re-litigation the things already settled—*stare decisis et non quicquid movere*. The rule has been by the cases aforesaid completely settled as a sound and salutary

rule of practice. *Messenger vs. Anderson*, 225 U. S., 436.

The true standing of the rule of the law of the case is very well summed up by Judge Denison in the case of

*Chesapeake & O. R. Co. vs. McKell*, 209 Fed., 514

(C. C. A., 6th Cir.),

where he says:

"We find no occasion to doubt the abstract power of an appellate court, upon a second review, to reach a result inconsistent with its decision on the first review of the same case (*Messenger vs. Anderson*, 225 U. S., 436, 444, 32 Sup. Ct., 739, 56 L. Ed., 1152); but this is a power to be exercised very sparingly, and only under extraordinary conditions. The practice that such a decision be treated as the law of the case, to be followed by the appellate court itself as well as by the trial court, is most salutary, and its violation (save in rare exceptions) would intolerably unsettle all litigation. Such practice, indeed, 'is necessary to enable an appellate court to perform its duties satisfactorily and efficiently.' *Great Western Co. vs. Burnham*, 162 U. S., 339, 344, 16 Sup. Ct., 850, 40 L. Ed., 991."

The basis of these decisions clearly is that the Circuit Court of Appeals was not compelled, as petitioners' counsel would have us believe, to follow the judgment and decree of the courts of the Third Circuit at this stage of the proceeding. This court should in accordance with settled principles and practice refuse to do so and adhere to its position as to the law of the case, which practice has been definitely approved and settled by this court in the cases just cited as well as

*Great Western Telegraph Company vs. Burnham*,  
162 U. S., 339.

The rule of estoppel by judgment has been well stated to be an estoppel against a "re-investigation" of issues once litigated and determined by a court of competent jurisdiction. 23 Cyc. 1553. This presupposes an attempt to investigate and litigate the questions involved in the judgment sought to be pleaded in bar. That rule cannot apply here because we are not seeking to investigate or re-investigate any questions that were litigated in the Pittsburgh case. Consequently there is no room for an estoppel. The plea of *res adjudicata* is but one branch of the law of estoppel and when the rule of estoppel fails the plea of *res adjudicata* likewise fails.

*Cessante ratione legis cessat ipsa lex.*



The time to plead and prove an estoppel is prior to the adjudication on the merits of the controversy concerning which the estoppel is said to apply. We cannot now in the Wisconsin suit investigate the merits of the question of the validity of infringement and kindred questions related thereto, we as well as the petitioner, have had our day in court on those questions and neither of us can go into them further.

*The Hart Case not in point.*

This foundation of the rule shows why the case so much relied on by petitioner's counsel, to-wit:

*Hart Steel Co. vs. Railroad Supply Co.*, 244 U. S., 294,

does not apply. In that case a judgment had been obtained that was pending on appeal in the Court of Appeals for the Seventh Circuit. Prior to its being reached for argument a final judgment had been obtained and affirmed in the Sixth Circuit between privies to the first litigation upon the identical issues, involving identically the same subject matter, and between parties confessedly in privity. A carbon copy of the record in one case constituted the record in the other. The active infringement in each case was a sale by the defendant in the Seventh Circuit case, of a tie plate made by the defendant in the Sixth Circuit case. In this situation a motion was made before the Circuit Court of Appeals of the Seventh Circuit to affirm and follow the decision in the Sixth Circuit and it was held that it should so do. It is to be noted at the outset that that court in that case at the time the motion was made had not passed upon, considered or in any wise decided any of the issues involved in the litigation then pending before it. It had laid down no law of the case and it was at liberty to adopt the decision in the Sixth Circuit, or any other decision, without doing violence to or in any wise affecting any judgment that it had entertained or made. As far as the matter was concerned as to that court it was *res nova*. We submit, therefore, that that decision forms no warrant or precedent for such an action as is now attempted by petitioners here and is in entire consonance with the authorities that we have cited, holding that the court in the Seventh Circuit was bound by its own decision as the law of the



case and should not have receded therefrom or reversed itself merely because some other co-ordinate court may have come later to some different conclusion on some phase of kindred litigation.

*Granting Petitioner Relief Purely Discretionary.*

The Circuit Court of Appeals for the Seventh Circuit did not re-open the case and its opinion indicated its conclusion that it could not. Whether it could or not is wholly academic so long as it did not. It was good practice for it to consider the law of this case settled and it followed this practice. It was purely discretionary for that court to refuse to entertain a bill of review, either because of petitioner's laches or otherwise, and petitioner has shown no abuse of discretion.

*No Waiver of Right in the Pittsburgh Case.*

On pages 55 to 57, inclusive, of petitioner's brief counsel present a disingenuous argument. They say that if the decree in the Wisconsin case was final it could have been pleaded as *res judicata* in the Pittsburgh litigation. They say that we waived this defense by not pleading it at Pittsburgh. So far they concede for the sake of the argument that the Wisconsin decree was final. They then argue that having failed to plead it at Pittsburgh that decree became final and is now now *res judicata* as against the Wisconsin decree. From this they argue the Wisconsin decree must give way. Clearly this argument is a fallacious *non sequitur* in that it first concedes the Wisconsin decree to be final and then assumes that it is not. If it was a final decree to the extent of being pleadable as a bar at Pittsburgh and we failed to take advantage of that fact the result simply is that we have inconsistent final decrees. Assuming the Wisconsin decree to be final, they would make the Pittsburgh decree "super-final." We are not required to maintain, nor was the Circuit Court of Appeals required to maintain that the Wisconsin decree was final for all intents and purposes. As Judge Baker so ably says, "It was not final in time" or final for purposes of appeal, etc. It is sufficient that it was final in essence and final in so far as it determines the questions involved in so far as the particular litigation is concerned.

*The Potts Case Distinguished.*

Counsel indulge in a long discussion of the history and effect of the decision in the Potts cases, 155 U. S., 597, and 166 U. S., 263, and arrive at the conclusion that the Potts cases conclusively show that this decree was interlocutory and not beyond the power of the Circuit Court of Appeals to disturb. They come to this conclusion because a new trial was allowed after the time when a rehearing might have been granted under Rule 88. This rule read as follows:

"No rehearing shall be granted after the term at which the final decree of the court shall have been entered and recorded, if an appeal lies to the Supreme Court, but if no appeal lies the petition may be admitted at any time before the end of the next term of the court in the discretion of the court."

We do not understand that Judge Baker understood the Potts cases to hold this decree to be final within the meaning of this rule. His opinion clearly and succinctly draws a distinction between finality so far as procedural questions are concerned and finality in essence.

The most favorable aspect of the Potts cases so far as petitioner's position is concerned is that the Supreme Court there granted leave for an application to be made to the lower court for a rehearing after it had once ordered a decree similar to the decree in this case and after the statutory time had passed for a rehearing on a final decree. There is no discussion in the opinion and it does not appear that the point was raised that its previous decision settled the law of the case, nor is the finality of the decree discussed. We think that if these points had been raised and presented and logic similar to that contained in the decision of the Circuit Court of Appeals had been presented, this court would have ruled as did Judge Baker. But even if this had been considered, there is nothing in the Potts cases to indicate in any way that the Circuit Court of Appeals was not right in refusing to re-open the case. There is nothing in the Potts cases to suggest that this court might not have refused to grant a rehearing.

*The Sole Procedure authorized by the Potts Case is not a Rehearing but a Petition for Leave to File in the Lower Court a Supplemental Pleading.*

The statement that counsel make in their brief that

their application to the Circuit Court of Appeals of the Seventh Circuit was a motion for rehearing and that the procedure in the Potts case was likewise a motion for rehearing, is clearly erroneous. A rehearing is an application to a court having a matter *pending before it* to retry the matter upon *the then record*. All of the tests of a rehearing fail in this case: (a) There was no matter then pending in the Court of Appeals for the Seventh Circuit or in the Supreme Court in the Potts case; (b) the case was pending in a subordinate tribunal, to-wit: the District Courts of Wisconsin and Ohio respectively; (c) the relief prayed was not for a re-examination of the issues as originally presented to the appellate tribunal in either case and therefore neither of these motions had any of the indicia of rehearings.

*The only procedure warranted by the Potts and kindred cases is a petition to the appellate court for leave to file a motion in the trial court for a reopening of its decree and for leave to serve and file a supplemental answer setting up the asserted res adjudicata in another circuit as a plea in bar and asking for a hearing thereon.*

The history of the litigation as set out in

*Potts vs. Creager*, 97 Fed., 78, 79, (C. C. A., 6th Cir.),

shows that the plaintiffs in that case pursued exactly the course above indicated. They applied to this Court for leave to file a petition in the Circuit Court of Ohio wherein the case was then pending, on the ground of newly discovered evidence. Having obtained this leave from this Court, they in turn asked the trial court for leave to make their motion there, and on its being granted made the motion and filed their supplemental pleading.

The rule of practice as outlined above as laid down in the Potts and kindred cases governs the practice in the various courts of appeal and inferior courts. The whole question of procedure and jurisdiction is carefully and exhaustively reviewed in

*In re Gamewell etc. Co.*, 73 Fed., 908, (C. C. A., 1st Cir.),

and the whole matter is admirably summed up in the syllabus as follows:

1. A decision by a federal appellate court finally settles as the law of the case everything which was before the court and was disposed of by it, so that after it the court below has no power to entertain a supplemental bill in the nature of a bill of review, based on newly-discovered evidence, unless such right is reserved, or permission given in the mandate.

2. A federal appellate court may ordinarily entertain an original petition for leave to file, in the court below, a bill of review, or a supplemental bill in the nature thereof, even when the application is made after the rendition of judgment by the appellate court, after the going down of the mandate, and after the close of the term at which the judgment was entered.

3. Upon the filing of such a petition two questions ordinarily arise: First, that of the materiality of the alleged new matter; and, second, that of laches. The question of materiality is mainly and ordinarily for decision by the appellate court; but the question of laches should ordinarily be left to the court below, which is apt to be more fully acquainted with the facts bearing on that question. In case the petition is granted, therefore, the usual order will be that the petitioner have permission to apply to the court below for leave to file further pleadings.

This court has flatly held that such petitions are not granted as matters of right but are addressed to the sound discretion of the court and that the appellate court must consider

"questions of two classes (that) arise on the face of this petition, first, that of the materiality of the alleged new matter, and second, that of laches."

*Rubber Co. vs. Goodyear*, 9 Wall. 805.

The following cases uphold the practice outlined above:

*Firestone Co. vs. Sciberling*, 245 Fed. 938. (C. C. A. 6th Cir.)

*Greene vs. U. S. etc. Co.*, 124 Fed. 961. (C. C. A. 1st Cir.)

*Boston etc. Co. vs. Bemis*, 98 Fed. 121.

*Bank vs. Taylor*, 53 Fed. 854, 866.

*Dibbert vs. Metropolitan I. Co.*, 158 Wis. 69, 80.

1 *Whitehouse Equity Practice* (1915) 659.

From the foregoing decisions, it is apparent that the Court of Appeals of the Seventh Circuit was without power to grant to petitioner the relief prayed by its original petition and that the utmost that it could do would be to grant leave to make a motion in the District Court for the Eastern District of Wisconsin for leave to file a supplemental answer, but petitioner made no such application and consequently has no right to achieve such results. This fact alone was and is fatal to petitioner's contention and requires a denial thereof. It follows therefore that the petition for certiorari to this court should be denied.

*The Proceeding in the C. C. A. for the Seventh Circuit is an Original Proceeding, not an Application for a Rehearing.*

It takes considerable temerity for counsel for petitioner now to claim that the original proceeding started by them in the Court of Appeals for the Seventh Circuit is a motion for rehearing. This case comes before this court upon certiorari. In asking for that certiorari petitioner's counsel made the following appeal:

"This petition for a certiorari to the Circuit Court of Appeals for the Seventh Circuit is based, as the petition sets forth, upon what the petitioner believes to be an erroneous decision on a single and simple proposition of law,—which was made against it in an *original proceeding* brought by it to said Circuit Court of Appeals." (Petitioner's brief in support of petition for certiorari, p. 11.) (Italics theirs.)

The brief is replete with similar statements and the verified petition itself makes a similar allegation on page 10 thereof.

We claim therefore that not only does the nature of the proceeding itself, as shown from an inspection of the original petition addressed to that court demonstrate that it was an original proceeding therein, but that because of their statements and claims to this court they are now estopped from claiming otherwise. They cannot claim that it is an original proceeding and therefore final so as to ask this court to review it by certiorari, and then when this writ is granted turn about and claim that it is a re-

bearing and ask the court to consider points of law in that vitally different aspect.

The brief filed by us on the motion to dismiss goes into and analyses this question very carefully and we bespeak the court's reading thereof in this connection.

### III.

THE DISTRICT COURTS AND THE CIRCUIT COURTS OF APPEAL IN BOTH SEVENTH AND THIRD CIRCUITS HAVE FOUND A GRANT OF PATENT MONOPOLY RIGHT IN THE RESPONDENT CHRISTENSEN FOR A COMBINED PUMP AND MOTOR AND THERE IS NO CONFLICT BETWEEN THE CIRCUITS.

#### *The Decisions Analyzed.*

The analysis of the decisions in the Seventh Circuit shows beyond any doubt or cavil that both the Circuit Courts of Appeal and the District courts found respondent Christensen had a valid patent, and that it was evidenced by the first or second patents indifferently. The analysis of the decisions of the courts in the Third Circuit show that it also found that respondent Christensen had a valid patent, although it found in addition that as regards that particular defendant for the purposes of accounting, the second patent was not a valid evidence of the grant. That Court of Appeals not only upheld the patent and the right to recover, but expressly stated that it did not differ from but was in full harmony with the decision in the other circuit. The decision in the Seventh Circuit was rendered first. The decision in the Third Circuit refers to that in the Seventh Circuit in the following language:

"We think it clear that the question now presented was not directly decided in the Seventh Circuit. As the suit there was begun in December, 1906, when both patents were only between 7 and 8 years old, the question which patent was in force was 'academic.' One or the other was valid, and as the invention was identical the infringer was not harmed by being enjoined under one rather than the other. *In point of fact the injunction was under the second patent, and this is the decree that was affirmed, although the*

*opinion of the Court of Appeals may be thought to lean toward the view that the first patent continued to be in force, and that the second patent had been erroneously granted.*

"But, while it might be regarded as a matter of indifference under which patent an injunction should be granted, the situation is changed when the question of accounting is presented. The two patents have different dates of expiration, and the question of marking is also to be considered. We are therefore required now to decide between the two, for confessedly both cannot be valid, and in our opinion the decision should be in favor of the first patent." (Italics ours.) (Rec. p. 111.)

In this connection it will be noted that that court did not consider the allegations of (a) notice of claim of infringement in the bill as to both patents and (b) that the monopoly granted to respondent Christensen as evidenced by both patents expired at the same time, to-wit: March 21, 1916, and that relief, injunctive or otherwise, was only asked for the period expiring March 21, 1916, ten days after the bill was filed in that court.

This *lapse* may well have been occasioned because these allegations were controverted in the answer and therefore not before that court on the motion for judgment on bill and answer only.

Following this opinion the Court of Appeals for the Third Circuit issued its order (Rec. p. 113) and mandate (Rec. p. 114) reversing the District Court "so far and so far only as it affects" the first and second patents (there being other patents in the bill of complaint) "and the bill is reinstated for further proceedings in conformity with the opinion of this court." As a result, the litigation in the court below was to continue on the first patent, and not invalidated by the issue of the second patent, that matter having been adjudicated by the Court of Appeals but leaving open defenses as to the merits of the first patent as stated in that opinion as

"available under its (Traction Brake Company's) answer with the same effect as if the bill had been originally brought under the first patent," and that court did not decide the questions "(1) whether, in view of the date when the bill was filed, the remedy in equity was open to the plaintiffs; or upon the question (2) to what extent the petitioner is liable



to account in case the equitable remedy be adjudged to have been available, and the petitioner be found to have infringed." (Rec. p. 112.)

In this connection we again call the attention of the Court to the fact that the decision of the District Court reviewed by the appellate court in the third circuit was defendant's motion for judgment on the record as to both the first and second patents (Rec. p. 99). That motion being

"as to patents Nos. 621,324 and 635,280, all the facts necessary to judgment are already in the record and in the bill of complaint and in admissions of the answer. Nothing is left except the judgment upon the legal points involved."

The Court of Appeals decided that on those facts the first patent was valid otherwise it must have granted their motion. It reinstated the case and remanded it for further proceedings on the first patent thereby expressly and necessarily recognizing and adjudicating its validity in view of the issue of the second patent. This analysis of the two litigations clearly shows the diversity of issues between the two and the extremely limited issues that were presented to and decided by the Courts in the Third Circuit. The decision in the Wisconsin case was upon the merits of respondent Christensen's patent and contract right and its infringement. The decisions in the Third Circuit were solely on evidentiary questions, i. e., which patent evidenced the grant. That Circuit, the same as the Seventh Circuit, upheld the existence and validity of the grant. Both courts of appeal have upheld the grant, the Court in the Seventh Circuit upon the record involving the entire merits thereof, the other court upon a limited record involving the validity in view of the issuance of the second patent. There is no conflict between them and so far as each goes it corroborates the decision of the other.

This view was specifically set forth and elaborately analyzed in the opinion of Geiger, J., on petitioner's motion to dismiss in the District Court in the Eastern District of Wisconsin. See his exhaustive analysis Record pp. 242 et seq. He states the reason for his original decision and why the second patent was mentioned in the decree as a matter of convenience only, thus:

"It may be well at this point to recur to the views entertained by this Court on the original hearing. The real question was conceived to be, whether



Christensen had obtained a monopoly grant from the Government, no matter how evidenced, provided only the evidence, such as it was, should, in the aggregate show a compliance with the Patent Laws."

#### IV.

THE RIGHTS OF RESPONDENTS ARE IDENTICAL UNDER THE FIRST AND SECOND PATENTS. THERE IS NO QUESTION OF WANT OF NOTICE OR MARKING IN THE WISCONSIN CASE.

#### *Notice and Marking were not in Issue.*

Whatever may be the situation as to the want of marking and notice in the Pittsburgh litigation, no such question exists in the Wisconsin litigation. That is one of the sharp distinctions between the two actions, and we are here concerned with the respondent's rights in the Wisconsin litigation only. Both courts in the Seventh Circuit have passed upon and adjudicated the validity of both patents in view of the prior art. That decision has been reached on the amended bill and answer, raising the identical issues as to each patent and upon the order herein before referred to entered at the request of and on the motion of petitioner, which order not only restated the identity of the issues but consented that the trial and determination be had on the record as made. We have heretofore set out in the statement of facts with a fair degree of detail the way in which the issues were made up.

*It will be noted that there is no denial in the original answer nor in the order directing it to stand as the answer to the amended bill of the allegation of notice of respondent's rights under the first patent or of its claim of infringement, and furthermore that the defenses to the first patent are expressly said to be and enumerated in the said order and are limited to "novelty, patentability, validity and infringement."* THEREFORE THE MATTERS OF NOTICE AS WELL AS OF MARKING WERE BOTH UNDENIED AND THEREFORE ADMITTED OF RECORD AND WERE NOT IN ISSUE, AND OBVIATED ANY NECESSITY OF INTRODUCING PROOF THEREON.

This was the state of the record at the time of the rendition of the decree finding validity and infringement of

August 21, 1914, and because of that situation that decree properly ordered an accounting for damages and profits and that was affirmed by the Court of Appeals.

The issues as tendered by the amended bill, and made by the answer, and as tried before the District Court and Court of Appeals were as to plaintiff's contract or grant of patent monopoly right as evidenced indifferently by the first or second patents, and the validity of both of those patents was brought in issue and determined. Not only that, but the validity of both of these patents was tried on an identical record and a record which was brought into the case as applying equally to the first patent by petitioner's own motion and election, as it asked for and obtained an order that the answer filed as to the second patent should stand as to the first patent and that the record made in support of the second patent should stand as to the first patent. It was on the record as thus made up that the whole issues were submitted to and determined by the District Court and the Circuit Court of Appeals of the Seventh Circuit.

In view of the record thus made and petitioner's own election and the adjudications in the District Court and Court of Appeals following thereon, petitioner is estopped from claiming that no opportunity has been given it to answer or question the existence and validity of the first patent or to ask for an opening up of the record and a new trial where the record has once been completely made applicable to the first patent by its own motion, and two courts have acted thereon and have considered and decided the entire subject-matter thereof. Respondents relied on the record thus made up and went to trial thereon and have since proceeded and spent two and one-half years of time and large sums of money in an elaborate accounting which is all but completed at the present date.

Not only has the petitioner had his day in court as to the existence and validity of the first patent and that on a record of its own making, but it has also litigated the same question in the Court of Appeals of the Third Circuit which rendered a judgment adverse to it thereon.

Not only would an opening up of the issues be manifestly unfair to respondents but it would produce no different result. The questions of marking or notice were never in the case as issues as the record made by petitioner hereinbefore referred to demonstrates. Petitioner has admitted those allegations and respondents have relied

thereon. The record demonstrates that it was always impossible for petitioner to have denied the allegations of notice and marking.

As sustaining our contentions as to estoppel we cite the following authorities:

*Davis vs. Wakelee*, 156 U. S., 680.

*Railway Co. vs. McCarthy*, 96 U. S., 238.

*Sullivan vs. Colby*, 71 Fed., 460 (C. C. A., 7th Cir.).

In the last case the Court, speaking through Woods, Circuit Judge, said:

"Any confession or admission made in pleading in a court of record, whether it be express or implied from pleading over without a traverse, will forever preclude the party from afterwards contesting the same fact in any subsequent suit with his adversary."

*Mootry vs. Grayson*, 104 Fed., 613, 619 (C. C. A., 9th Cir.)

*Oakland Sugar Mill Co. vs. Wolf Co.*, 118 Fed., 239, 248 (C. C. A., 6th Cir.)

*Western U. T. Co. vs. Thompson*, 144 Fed., 578 (C. C. A., 5th Cir.)

A most fitting summary and conclusion to our argument upon the question of estoppel to be found anywhere in the books is in

*Putnam vs. Day*, 22 Wall., 60-67, 22 Law Ed., 764, 765 (1875).

Here the Court, by Mr. Justice Bradley, speaking upon this very question, said:

"The complainant in the bill filed below failed utterly, we think, to make out a case of fraud, mistake or want of authority on the part of his solicitors and counsel in *filing the pleadings in the original suit, and taking the ground they did on his behalf*. Of course fraud is not charged; but the complainant relied on the fact that he never saw the answer or cross-bill, and did not know their contents. This is no ground for allowing him to repudiate them now. It is not alleged that he would have placed his defense on any different ground had the answer and cross-bill been read by him. *Indeed, they were drawn in pursuance of the advice received from his counsel and acquiesced in by him*. His not having sworn to his answer, or even read it, is no excuse. It was his duty to have known its contents, if not to have verified it. *If his counsel,*

*failed to make as good a defense for him as they might have done, it was his misfortune and cannot be rectified after the passing of the decree. Litigation would never come to an end if parties were permitted thus to shift their entire ground of attack or defense, after finding where the pinch of the cause lay. They must be stopped by the record, unless they can show that they were the victims of fraud or mistake."* (Italics ours.)

### *Notice is a Complete Equivalent of Marking.*

There is no merit in the contention of petitioner that the question of marking or notice is different under the first patent from what it is under the second patent and this for many reasons. The statute, sec. 4900 U. S. R. S., provides it shall be the duty of the patentee to mark with the date and year of the patent and that in event of failure so to do

*"no damages shall be recovered by the plaintiff, except on proof that defendant was duly notified of the infringement and continued after such notice to make, use or vend the article so patented."* (Italics ours.)

From the language of the statute it is clear that notice is a complete alternative to marking and as we will show, there has been ample notice to defendant in every possible way, and even were we restricted to notice of the first patent, yet Judge Geiger has held that defendant is "one who has not been injured or misled." (Rec. p. 34.)

### *It is Too Late to Raise the Question of Want of Notice, etc.*

The petitioner cannot claim want of notice on the present state of the record because that question has not been raised by the pleadings nor by the petitioner and it is

*"too late for the defendant to raise the point before the master. They were concluded by their previous silence and must be held to have waived it."*

*Rubber Co. vs. Goodyear, 9 Wall., 788, 801.*

*Tuttle vs. Claffin, 76 Fed., 227 (C. C. A., 2d Cir.)*

*Anderson vs. Saint*, 46 Fed., 760, 765.

*Pettibone etc. Co. vs. Pennsylvania Steel Co.*,  
134 Fed., 883.

One of the many reasons underlying this salutary rule is that the question of marking and notice goes to the existence of an accounting. If there be an absence of both of these requisites then the decree granting the injunction should cease with that and not refer it to a master for an accounting. In other words at the time of the entry of that decree the question should have been presented to and decided by the District Court as to whether any accounting was necessary.

*A. D. Howe Machine Co. vs. Dayton*, 210 Fed.,  
801 (C. C. A., 4th Cir.)

*Metallic etc. Co. vs. Brown*, 104 Fed., 345, 354  
(C. C. A., 8th Cir.)

*Petitioner had Abundant Notice of Both Patents.*

Petitioner cannot successfully claim that it did not have notice of respondent's rights under both first and second patents. In order to consider this question completely further reference to the record and testimony in the Wisconsin case is necessary. Respondent Christensen commenced the manufacture and sale of motor compressors at and prior to the time of his application for letters patent, which application was filed Dec. 30, 1896 (Rec. p. 108), and he was interested as a minority stockholder in and lessee of Christensen Engineering Company, later National Electric Company. The chief stockholder in this company was Frank G. Bigelow, president of the First National Bank of Milwaukee, who about 1905 defaulted and was convicted of embezzling large sums of money from that bank, and his crash solely precipitated the National Electric Company into bankruptcy. R. P. Tell has since the organization of the petitioner always been its active executive officer, has held the titles of general manager, vice-president, and president, and as such at all times has been in active charge of all its affairs. The assets of the old National Electric Company were through the instrumentality of said R. P. Tell, former vice-president and general manager of National Brake Company and assistant to the receiver in bankruptcy (Rec. p. 140) sold at bankruptcy sale and purchased by one of

the Westinghouse interests which organized and took title in Wisconsin Brake & Electric Company, a Wisconsin corporation. This company held the property for a month and four days and then later transferred it to the petitioner, National Brake & Electric Company, which has operated it ever since, said Tell being in active control at all times (Rec. pp. 135, 140, 141, 156, 157, 159) Record on former appeal No. 2163, pp. 40 and 41). The result of the bankruptcy proceedings was to annul the license agreements and they were reassigned to respondent Christensen and upon the purchase of the property by the Wisconsin Brake & Electric Company he licensed that company under his patents, including the first patent by number 621,324, and also by its serial number 617,464 (Exhibits 65, 88, 86, 74 and 83, Rec. pp. 184-190. See history thereof, Rec. p. 182). Tell knew of the existence of the patents and license agreements at the time of purchase of the assets (Rec. p. 141) and petitioner continued operating under these license agreements until December 1906 when it notified respondent Christensen that it would no longer continue to operate or to pay royalties and commenced manufacturing the infringing devices (Rec. p. 182; Record on former appeal No. 2163, p. 41).

Prior to the acquisition of the assets by the Wisconsin Brake & Electric Company, the persons who became its officers and directors upon its organization and who became the officers and directors of the petitioner upon its organization and continued in control of it throughout, started to study plaintiff's patent. That was in December 1905. They also had a series of conferences with respondent Christensen looking toward the acquisition of a license under his patents but H. H. Westinghouse was unwilling to pay his price and so respondent Christensen licensed the Allis-Chalmers Company (Rec. pp. 140-154, 160-161). The matter of making motor compressors was then referred to their patent counsel, Mr. E. A. Wright, Mr. J. Snowden Bell and others, and they commenced examining it at that time (Rec. p. 153 and record on No. 2163, p. 194) and with the officers of the Air Brake & Traction Brake Companies they held a conference at Wilmerding, Pennsylvania, at which they had before them and considered all of Christensen's patents and after a consideration thereof decided to make the infringing device which was merely Christensen's device with an interposed "worse than useless" air space and a gear case cast in-

tegral with, instead of being bolted to, the crank case (Rec. on No. 2163, pp. 196, 201). This device was developed at the suggestion of the patent attorneys by one Waters in an attempt to avoid infringement (Rec. on No. 2163, pp. 202-204), and was thus criticised by the Court of Appeals in its opinion (Rec. p. 32):

"We can see in defendant's structure, merely an attempt to evade complainant's patent by first dividing the one sheet of metal into two parts without any reason therefor \* \* \*."

The action of the petitioner in terminating the license agreement and commencing infringement was exhaustively argued to the Master and he characterized it thus:

"it is sufficient to say that the evidence in this case clearly shows that the defendant, after terminating the license agreement with plaintiff Christensen, immediately commenced the manufacture and sale of infringing compressors, and continued such manufacture and sale for nearly ten years and until the expiration of the patent, notwithstanding a prompt commencement of this action, and notice to it of the plaintiff's claims. *This infringement may fairly be called wanton and deliberate*" (Rec. p. 182). (Italics ours.)

*Petitioner has Infringed Since Filing the Bill and the Amended Bill.*

There is a further reason why petitioner cannot now allege want of notice and that is that it has continued to infringe since the filing of the bill. The infringement began December 1, 1906, and the bill was filed December 17, 1906, and the rule is undoubted that the filing of a bill is equivalent to notice under the statute.

*La Crosse Plow Co. vs. Van Brunt*, 220 Fed., 626, 629 (C. C. A., 7th Cir.)

*Eastern Dynamite Co. vs. Keystone Mfg. Co.*, 164 Fed., 47, 60.

*American Caramel Co. vs. Mills*, 162 Fed., 147 (C. C. A., 3d Cir.)

*Maimen vs. Union Special Mach. Co.*, 165 Fed., 440 (C. C. A., 3d Cir.)

*U. S. Mitis Co. vs. Midvale Steel Co.*, 135 Fed., 103, 112.



*Underwood Typewriter Co. vs. Elliott-Fisher Co.*, 171 Fed., 116.

*U. S. Mitis Co. vs. Carnegie Steel Co.*, 89 Fed., 206.

*Westinghouse etc., Co. vs. Condit etc., Co.*, 159 Fed., 154, 156.

*Ashley vs. Weeks-Numan Co.*, 220 Fed., 899-904 (C. C. A., 2d Cir.)

*Weber Elec. Co. vs. Union Elec. Co.*, 226 Fed., 482, 488.

*Lamson vs. Standard*, 238 Fed., 201, 209.

*Macallen Co. vs. Chas. Wirt & Co.*, 209 Fed., 625, 626.

*Petitioner Knew of Both Patents as Early as 1907.*

Defendant has also infringed, the record shows, since the filing of the amended bill counting specifically on the first patent, but irrespective of that we submit that notice of the second patent is notice of the first patent. Particularly is that true where, as in the instant case, it can be shown that the notice is sufficient. It is elementary that the function of notice is simply to put the party on inquiry which if followed up will lead to the information necessary to charge him with actual knowledge. Notice is not the same thing as knowledge. It is the bringing to the party of information which will charge him with knowledge.

Notice may be sufficient to one person and yet insufficient to another, depending upon the degree of familiarity he may have with the facts to which the notice pertains. If he is entirely familiar slight information will be sufficient to put him on his guard. If he is entirely unfamiliar the notice will have to be quite complete and distinct. The test is how much information is necessary in view of the knowledge and means of knowledge in possession of the party to whom it was given to put him on inquiry, and the theory of putting him on inquiry is that you must give him a clue which if run down will lead to the information necessary.

The case at bar falls squarely within these rules. Although we notified by the filing of the bill of patent 635,280 yet defendant ran it down and found and admitted knowledge of the existence of patent No. 621,324, and



this as early as March 1, 1907. (See their answer Rec. p. 26-28). Thus it is here demonstrated that the person to whom notice was given had ascertained the ultimate fact to which the inquiry set in motion by the notice was directed. That is proof positive that the notice is sufficient for the very function of the notice is to put it on inquiry which should lead to the ascertainment of the fact by it. If therefore you prove because of that petitioner has ascertained the fact you have by that act proved the sufficiency of the notice.

## V.

THERE IS NO QUESTION OF DOUBLE PATENTING. RESPONDENT CHRISTENSEN WAS CONCEDEDLY GRANTED A VALID PATENT. THE ONLY QUESTION IS AN ACADEMIC ONE AS TO THE PROPER METHOD OF CORRECTING CLERICAL ERRORS.

Petitioner in its brief argues quite at length (pages 74 et seq.) that this court should take jurisdiction of and try out the question of double patenting on this certiorari. *The certiorari was not granted to review that question but the question of the finality of the decree of the Court of Appeals of the Seventh Circuit.* The question of the validity of plaintiff Christensen's patent, whichever one of the paper writings evidences it, was not specifically passed upon by the courts of the Seventh Circuit except to the extent of finding and upholding a patent in Christensen.

The request was made to this court for certiorari and the writ was granted on the showing that the Court of Appeals for the Seventh Circuit had made "an erroneous decision on a single and simple proposition of law" . . . i. e., said Court of Appeals held "a decree which we submit was an interlocutory decree, but which the decision which we are seeking to have reviewed adjudges to be final." (Brief in support of petition for certiorari p. 1).

This Court has ruled in a similar case, i. e.,

*Westinghouse Co. vs. Wagner Mfg. Co.*, 225 U. S., 604, 613-14,

that where a writ of certiorari is granted to review the question of accounting in a patent case it was not granted

for the purpose of re-examining the questions of validity and infringement and the court would not go into such questions.

The phrase "double patenting" has been used in the briefs of petitioner in a loose and inaccurate sense as applying to the issue of the two documents to respondent Christensen as evidencing one and the same grant. All the cases cited by petitioner and which deal with double patenting at all are cases in which two or more mutually exclusive monopolies have been granted on applications ostensibly for different inventions and where the Government has made two contracts which purport to cover in whole or in part different inventions but which do in truth and in fact cover but one and the same invention.

In the case at bar there is but one contract, one grant, flowing from a single application for patent.

In the cases of alleged double patenting referred to by petitioner, there existed two letters patent purporting to evidence different inventions, which, however, in those cases, the court held were not different inventions; while in this case there is one invention, and respondents have never claimed more than one contract, one grant, or a right to more than one instrument evidencing the monopoly for said invention. In the cases cited by petitioner, the patentees there claimed separate or independent rights and monopolies under each of the letters patent, which we submit clearly differentiates these cases from the case at bar.

This defense masquerading under the pseudonym of double patenting was argued and briefed exhaustively in said courts of the Seventh Circuit and was contended for in the Petitioner's application for certiorari to this court, No. 824, October term 1915, and was argued in the briefs of the parties upon such application, which application upon consideration was denied by this court February 21, 1916.

*The Seventh Circuit Correctly Held Both Patents Expired March 21, 1916.*

*In limine* we wish to call attention to the following error in petitioner's brief. It says on page 87 that respondents' position that the second patent was limited in its life to seventeen years from the date of the issue of

the first patent was not followed by the decree, citing Record pp. 40-50. In that statement they are in error. The first patent issued March 21, 1899, No. 621,324. The second patent issued October 17, 1899, No. 635,280. *The decree granting the injunction grants it "for the remainder of the term of seventeen years from and after March 21, 1899;" i. e., the term commences to run from the date of the issue of the first patent. (Rec. pp. 39-40).*

*The Patents are Analogous to Title Deeds.*

Respondent Christensen is in the exact position of a man who has received a warranty deed to a piece of property and because of an error in the description, probably harmless but yet needing correction, returns it to the grantor and asks for and obtains a second supplemental warranty deed. The return of the deed does not operate to divest the grantee of title, neither does its subsequent cancellation by the grantor, particularly where as here the grantee retained it several months before redelivery.

The petitioner, as shown by its original answer in the Wisconsin suit, had as early as March 1, 1907, notice of the existence of both of these documents of grant, yet claims that because the second deed contains on its face an erroneous term it is void, and because respondent handed back the first deed to the grantor that forsooth that also is void. This is not the situation of an intervening trespasser without notice because as is shown, it had full, ample, and complete knowledge and notice of all facts pertaining to both grants, in fact it was licensed under both (Rec. pp. 185-191) and its infringement was characterized by the Master as "wanton and deliberate." Nothing more inequitable than their position could well be conceived.

*A Patent is a Contract.*

A patent like a deed is a contract or the evidence of a contract, and respondent's theory is that its grant of patent monopoly is evidenced equally by both patents and either of them is sufficient to sustain the bill and all proceedings therein. It is well settled that a patent is a contract between the patentee and the United States Government and has all the elements and advantages of any other contract.

This rule has been succinctly stated in *Jewell Filter Co. vs. Jackson*, 140 Federal, 343, as follows:

"A patent is, after all, nothing but a contract by which the government secures to the patentee the exclusive right to vend and use his invention for a few years, in consideration of the fact that he has perfected and described it and has granted its use to the public forever after. \* \* \* \* *The contract evidenced by a patent is effected by the acceptance by the government of a proposition made by the inventor in compliance with the statutes of the United States.*" (Italics ours.)

In *Krupp vs. Midvale Steel Company*, 191 Fed., 588, 594, the matter was stated thus:

"Tersely stated, an American patent is a written contract between an inventor and the government. This contract consists of mutual, inter-related considerations moving from each party to the other for such contract. The consideration given on the part of the inventor to the government is the disclosure of his invention in such plain and full terms that any one skilled in the art to which it appertains may practice it. The consideration on the part of the government given to the patentee for such disclosure is a monopoly for 17 years of the invention disclosed to the extent of the claims allowed in the patent."

When the patent was issued to the respondent Christensen, and recorded, a complete contract was in existence and the United States Government was as much bound thereby as by any other contract. The patent secures to the patentee a vested property right and this right is protected and secured and held as inviolate as any other property right in and by the constitution of the United States.

In *McCormick vs. Aultman*, 169 U. S., 606, 608-609, this court said:

"It has been settled by repeated decisions of this court that when a patent has received the signature of the Secretary of the Interior, countersigned by the Commissioner of Patents, and has had affixed to it the seal of the Patent Office, it has passed beyond the control and jurisdiction of that office, and is not subject to be revoked or canceled by the President, or any other officer of the Government. *United States vs. Schurz*, 102 U. S., 378; *United States vs. American Bell Telephone Co.*, 128 U. S., 315, 363. It has be-

come the *property* of the patentee, and as such is entitled to the *same legal protection as other property*. *Seymour vs. Osborne*, 11 Wall., 516; *Cammeyer vs. Newton*, 94 U. S., 225; *U. S. vs. Palmer*, 128 U. S., 262, 271, citing *James vs. Campbell*, 104 U. S., 356."

The contrary view seems to be taken by the petitioner's counsel for they say in effect the letters patent are the sole repository of the grant, and they "*create a property interest in the invention which otherwise does not exist.*" The opposite has been settled in the recent case so much relied on by the petitioner, of *Motion Picture Co. vs. Universal Film Co.*, 243 U. S., 502, 510. There this court at page 510 says:

"It has long been settled that the patentee receives nothing from the law which he did not have before, and that the only effect of his patent is to restrain others from manufacturing, using or selling that which he has invented. The patent law simply protects him in the monopoly of that which he has invented and has described in the claims of his patent."

This is in line with other decisions of this court holding that a patent is merely the *evidence* of the grant. Thus in *Marsh vs. Nichols*, 128 U. S., 605, 612, this court said:

"The patent is the *evidence* of his exclusive right to the use of the invention; it therefore may be said to create a property interest in that invention."

Patents are not granted as high prerogative monopolies from the crown or as a matter of special grace or favor, but to worthy inventors as a matter of right. This is the doctrine of the American Patent Law and all the adjudications are in harmony therewith.

In *James vs. Campbell*, 104 U. S., 356, 358, the court said:

"The Government of the United States, as well as the citizen, is subject to the Constitution; and when it grants a patent, the grantee is entitled to it as a *matter of right*, and does not receive it, as was originally supposed to be the case in England, as a matter of grace and favor."

*Attorney General vs. Rumford Chem. Works*, 32 Fed., 608, 619:

"In this country they are issued, neither in fact nor by publication, by any special grace or favor, and in no sense *ex mero motu*, but as a *matter of right*, under the provisions of a statute, to the inventor who

has complied with the conditions which the statute imposes."

The amended bill in this case was drawn in view of this undoubted law and was predicated on Christensen's contract or monopoly right to a combined pump and motor, as evidenced by the first or second patents, and each of them, and each is sufficient to sustain the grant. The United States Government for this reason, neither through its patent office officials nor any other representative had the right or power to deprive the patentee Christensen of this property except by due process of law. All of the years of involved and multitudinous litigation in this case have arisen from an effort of the United States Patent Office to correct a clerical mistake made by one of its representatives, in such a manner as to seem to impugn or raise a doubt as to just what the patentee Christensen's property rights were and are under the Patent No. 621,324.

*The Patent Office Error Did not and Could Not Affect Christensen's Rights.*

The insertion through inadvertence by a clerk in the United States Patent Office in said Patent No. 621,324 of one fugitive leaf, having obviously no relevancy whatever to the patent, certainly should not have and *could* not have affected Christensen's vested rights in any manner whatsoever. This fugitive leaf contained nothing that could have misled anybody. It contained nothing that was described or even mentioned in the specifications. The only drawings or reading matter that were on this single fugitive leaf could have no more affected the legal interpretation and construction of the patent than if they had been purely "typographical errors," which have been held to be of no effect whatever. (*Herman vs. Youngstown Co.*, 191 Fed., 579, 584.) The defect in the case of *Marsh vs. Nichols*, 128 U. S., 605, is clearly distinguished from that in the case at bar. In that case the court held that the patent was never "executed." The principle is totally different. The patent there never came into existence. The patent in the case at bar is not only indisputably executed but delivered to the patentee. In the opinion in that very case the court explains that such a "clerical mistake" as that in our patent can be and should be rectified. Mr. Justice Mack in the Circuit Court of Appeals,

in his opinion in this very case at bar, said that this was "a case of a pure clerical error, not of double patenting. While the two documents have been issued, there is but a *single grant* of one and the same right to the same person."

The patent "should be treated (by the courts) as if the correction was made," in this instance by entirely ignoring this fugitive leaf.

In *Railway Register Co. vs. North Hudson*, 23 Fed., 593, 594, the court said:

"There is a long list of cases holding that patents cannot be invalidated by proving that the requirements of the statute to be observed by the commissioner in order to their issue have not been regarded. Sec. 4920 of the Revised Statutes enumerates the five special defenses which may be pleaded in a suit for infringement. If congress had intended that the validity of patents might be assailed collaterally for other reasons, it would have said so in explicit terms."

That the patentee, out of abundant caution, chose to return the document to the Patent Office to have this fugitive leaf removed did not and could not alter or diminish his rights under the contract embodied in this patent then in force between the government and himself.

*Edison Electric Co. vs. U. S. Electric Co.*, 52 Fed., 300, 312:

"Nor do we think that validity is in any way affected by the attempted certificate of correction. The patent, as originally issued, being in every respect a regularly executed document, and the statute providing for no subsequent alteration thereof by the patent office (except in cases of reissues, which this is not) the action of the commissioner in endorsing it with an attempted 'correction' was without jurisdiction, and wholly void."

This Court says in the case of *McCormick vs. Aultman Co.*, 169 U. S., 606, 609:

"The only authority competent to set a patent aside or to annul it, or to correct it for any reason whatever, is vested in the courts of the United States, and not in the department which issued the patent. *Moore vs. Robbins*, 96 U. S., 530, 533; *U. S. vs. American Bell Telephone Co.*, 128 U. S., 315, 364; *Michigan Land & Lumber Co. vs. Rust*, 168 U. S., 589, 593. And in this respect a patent for an invention stands in the



same position and is subject to the same limitations as a patent for a grant of lands. The power to issue either one of these patents comes from congress and is vested in the same department. In the case of a patent for lands it has been held that when one has obtained a patent from the government he cannot be called upon to answer in regard to that patent before the officers of the Land Department, and that the only way his title can be impeached is by suit. *United States vs. Stone*, 2 Wall. 525, 535; *Iron Silver Min. Co. vs. Campbell*, 135 U. S., 286; *Noble vs. Union River Logging Railroad*, 147 U. S., 165. But a suit may be maintained by the United States to set aside a patent for lands improperly issued by reason of mistake or fraud; but only in the case where the government has a direct interest, or is under obligation respecting the relief invoked. *United States vs. Missouri, Kansas & Texas Railway*, 141 U. S., 358.

"While a patent for a grant of lands is absolutely free from the future control of the officers of the Land Department, after it has once issued, and jurisdiction over the matter cannot again be obtained, this is subject to a single qualification in the case of a patent for an invention where the patentee, his legal representatives or assigns, find the original patent inoperative or invalid by reason of a defective or insufficient specification, or by reason of the patentee claiming as his invention or discovery more than he had a right to claim as new (provided the error has arisen through inadvertence, accident or mistake and without fraudulent or deceptive intention)."

*There was a Correction and not a Statutory Reissue.*

A statutory re-issue under Section 9461 was not aimed at or possible, because such a re-issue can be secured and made only when a

"patent is inoperative or invalid by reason of a defective or insufficient specification or by reason of the patentee claiming as his own invention or discovery more than he had a right to claim as new."

And such was *not* the case here.

A correction under Rule No. 170 could have been made and that was what was done in substance in the instant case. Rule 170 was adopted in order to "correct mistakes



through the fault of the Patent Office." (Rogers on Patents, Vol. 1, page 186.) If the "Office" did not make its corrections in the proper way, Christensen should not, and cannot suffer on that account. Says Geiger, J., in his opinion:

"there is no reason why the irregularity of procedure should work a default or a total lapse in the patentee's right or title, especially as against one who has not been injured or misled, nor from whom relief is sought in reliance upon the irregularity." (Rec. p. 34.) (Italics ours.)

And Christensen's contractual rights would not and could not thereby be in the slightest degree reduced or altered. The fault was that of the "Office."

*An Erroneous Term Does Not Nullify a Patent, The Law Reads into it the Correct Term.*

The effort of the Patent Office to rectify its own error was completely ineffective to destroy the patentee's property rights in any extent or in any manner whatsoever. The paper that it issued as Patent No. 635,280 in an attempt to correct its own mistake by eliminating the fugitive sheet solely from Patent No. 621,324 was in legal effect but a correction of a clerical error in the first patent and was harmless and could do no injury to Christensen, or the public, and could in no wise affect the rights secured to him in and by the first patent. Even though the second patent be treated as and be deemed to be a re-issue in substance, it must have been and was limited in its term, as this court has held, "for the unexpired part of the term of the original patent." Section 9461 U. S. The Court of Appeals has said in the Wisconsin case

"That the second patent was erroneously granted for a term of 17 years from its date, does not nullify it. The law itself prescribes the terms of a patent; 17 years is the maximum. It may for several reasons expire at an earlier date. The failure properly to limit the term no more affects the validity in this case than it does in a case where, because of a prior foreign patent having a shorter term, the United States patent by law expires before the end of the 17 years specified in the document." (Rec. p. 44.)

In holding that the nominally excessive term did not invalidate the patent but that the actual term could be de-

terminated from facts *de hors* the patent, the court was merely applying settled rules of law to this particular case. It is well settled that an American patent based on a previous foreign patent expires with the expiration of the foreign patent where that term is less than seventeen years, even though it in terms runs the full seventeen years. It has never been held that the failure of the office to limit the nominal term of the patent to the actual term invalidates it; in fact it has been many times held to the contrary. This court has stated the rule that patents may be "limited by the courts, as a matter to be adjudicated on evidence *in pais*."

The question was raised and decided in *Bate Refrigerator Co. vs. Hammond Co.*, 129 U. S., 151, where the court, speaking through Mr. Justice Blatchford, said:

"These provisions of the Act of 1870 and of the Revised Statutes mean that the United States patent shall not expire so long as the foreign patent continues to exist; not extending beyond seventeen years from the date of the United States patent, but shall continue in force, though not longer than seventeen years from its date, so long as the foreign patent continues to exist. Under Section 4887, although, in the case provided for by it, the United States patent may on its face run for seventeen years from its date, it is to be so limited by the courts as a matter to be adjudicated on evidence *in pais* as to expire at the same time with the foreign patent, not running in any case more than the seventeen years, but subject to the latter limitation it is to be in force as long as the foreign patent is in force. \* \* \* *O'Reilly vs. Morris*, 15 How., 62."

In *Edison Elec. Lt. Co. vs. U. S. Elec. Lt. Co.*, 52 Fed., 300-302, the court said:

"The failure to limit the patent in suit on its face to a shorter term than seventeen years so as to expire at the same time that the prior foreign patent having the shortest term, does not affect its validity. \* \* \*"

*Smith vs. Ely*, 56 U. S., 37.

*Canon vs. Pound Mfg. Co.*, 23 Blatch., 173.

In *Bate Refrigerator Co. vs. Hammond*, *supra*, the court said:

"Under this view, the time of the expiration of the foreign patent may be shown by evidence *in pais*, either the record of the foreign patent itself showing its duration, or other proper evidence; and it is no

more objectionable to show the time of the expiration of the foreign patent by giving evidence of extensions such as those in the present case and thus to show the time when by virtue of such extensions the United States patent will expire."

We submit that the term of a patent as recited in the instrument is immaterial and cannot affect its validity, for the reason that the law as to its duration writes itself into the instrument.

*Bate Refrigerator Co. vs. Hammond Co.*, 129 U. S., 151; 32 L. Ed., 645.

*Pohl vs. Anchor Brewing Co.*, 134 U. S., 381; 33 L. Ed. 953.

*Bate Refrigerator Co. vs. Sulzberger*, 157 U. S., 143; 39 L. Ed., 613.

*Leeds vs. Victor Talking Machine Co.*, 213 U. S., 391; 53 L. Ed., 805.

*Cameron vs. Knoxville*, 227 U. S., 39; 57 L. Ed., 407.

In the case of *Cameron Septic Tank Company vs. City of Knoxville, Iowa*, 227 U. S., 39, 41, 42, the court said:

"At the time the patent was issued Sec. 4884, Revised Statutes, made the term of a patent seventeen years, and by Sec. 4887 it was provided that the receiving of a foreign patent did not prevent the granting of a United States patent. It was, however, provided that 'every patent granted for an invention which has been previously patented in a foreign country shall be so limited as to expire at the same time with the foreign patent, or, if there be more than one, at the same time with the one having the shortest term, and in no case shall it be in force more than seventeen years.'"

"The section coming up for judicial consideration, it was decided that it assumed that the foreign patent previously granted was one granted for a definite term, that the United States patent should expire with that term, and that it was not to be limited by any lapsing or forfeiture of any portion of the term of the foreign patent, by means of the operation of a condition subsequent, according to the foreign statute. *Pohl vs. Anchor Brewing Co.*, 134 U. S., 381, 386. And it was held that the American patent is limited by law, whether it is so expressed or not in the patent itself, to expire with the foreign patent having the

shortest term. *Bate Refrigerating Co. vs. Hammond*, 129 U. S., 151, 167; *Bate Refrigerating Co. vs. Sulzberger*, 157 U. S., 1, 43; *Leeds & Catlin Co. vs. Victor Co.*, 213 U. S., 301, 325."

We call particular attention at this point to the fact that the Court of Appeals for the Third Circuit in the Pittsburgh litigation, while it found with the District Court of Wisconsin and with the Court of Appeals for the Seventh Circuit that there was no double patenting in the proper sense of that term and that the only thing sought to be corrected by respondent Christensen was a clerical error because of the inclusion of the fugitive and immaterial sheet of drawing, yet it nevertheless went astray by holding that the patent office in thus attempting to make this correction and eliminate the sheet "went beyond the mistake and modified the first patent in a vital particular, namely, in its date of expiration." (Rec. p. 112.) In doing this that court committed two clear and it seems to us unpardonable errors, first, overlooked the undisputed allegations in the plaintiffs' bill that the patent monopoly expired seventeen years from the date of the grant of the first patent, to-wit: March 21, 1899, and second, overlooked the clear and undisputed rule of law that *the law itself in such a case reads into the patent a limitation as to the real term thereof*. It will be observed that this was the sole ground upon which the Circuit Court for the Third Circuit held the second patent invalid, and in doing so that court disregarded the settled law of this court, as is evidenced by the cases just preceding.

*A Surrender of a Patent is Contingent upon a Valid Reissue.*

As the issuance of the Patent No. 635,280 did not confer upon Christensen any rights that he did not already possess under and by virtue of his Patent No. 621,324, clearly he was not deprived of any of these vested rights, because of the return to the Patent Office of the Patent 621,324 and the breaking of the seal thereof by the Commissioner.

In *McCormick Harvesting Machine Co. vs. Aultman Co.*, 169 U. S., 606, 610, 612, the law was thus stated:

"In such case a reissue will be granted by the Commissioner upon the surrender of the patent, but such surrender takes effect only upon the issue of the amended patent." \* \* \* \*

"The object of a patentee applying for a reissue is not to reopen the question of the validity of the original patent, but to rectify any error which may have been found to have arisen from his inadvertence or mistake. But until the amended patent shall have been issued the original stands precisely as if a reissue had never been applied for (*Allen vs. Culp*, 166 U. S., 501, 505) and must be returned to the owner upon demand. The fact that the rules of the Patent Office require that the original patent should be placed in its custody for the purpose of surrendering it upon the issue of an amended patent gives that department no right to the possession of it upon the rejection of the application for a reissue. If the patentee abandoned his application for a reissue, he is entitled to a return of his original patent precisely as it stood when such application was made and the *Patent Office has no greater authority to mutilate it by rejecting any of its claims than it has to cancel the entire patent.*" (Italics ours.)

"Had the original patent been procured by fraud or deception it would have been the duty of the Commissioner of Patents to have had the matter referred to the Attorney General with the recommendation that a suit be instituted to cancel the patent; but to attempt to cancel a patent upon an application for reissue when the first patent is considered invalid by the examiner would be to deprive the applicant of his property without due process of law, and would be in fact an invasion of the judicial branch of the government by the executive."

The Commissioner of Patents had no power, right or authority to accept the patent, or in any way to mutilate or destroy it. The patentee's conduct was in no respect whatever an abandonment or surrender of his patent or any of his rights thereunder.

*Edison El. Light Co. vs. U. S. El. L. Co.*, 52 Fed., 300, 312.

"And in the absence of any provision of law contemplating the surrender of an original patent by the grantee or holder, *except for reissue*, we cannot find, in the request to have such unauthorized correction made, any reason for holding that the patent was by that act *surrendered.*" (Italics ours.)

Whatever was done that might be considered a surrender was clearly done by mutual mistake, and therefore

did not jeopardize the patentee's rights. The effort of the defendant's counsel in the case at bar to prove that, because the document No. 635,280 was improperly issued by the Patent Office through the fault and mistake of that office and was therefore void, the patentee lost his property rights when he sent his patent back to the Patent Office to correct its own mistake, is too monstrous to require more than a statement to demonstrate its absurdity. It is amazing that defendant's counsel should persist in this contention. As was said by the Circuit Court of Appeals in the Seventh Circuit in this case,

*"The surrender for cancellation of the one was conditioned upon the grant of a valid legal substitute. If the Commissioner of Patents was without authority to issue the second, then in our judgment his action in cancelling the first must be deemed laglly ineffective."* (Italics ours.) (Rec. p. 44.)

*The Reissue Statute Expressly Preserves a Patentee's Rights against Improvident Surrender.*

Prior to 1870 the statute left the question in doubt; but a contrary ruling was so flagrant an injustice and hardship to inventors that in that year (1870) Congress amended the law so as to incorporate in it the words "such surrender shall take effect upon the issue of the amended patent." Christensen only requested the Patent Office to correct Patent No. 621,324 by removing the fugitive leaf. He had no thought whatever of "surrendering" it, or any of his rights under it. Even if there had been a "surrender" it would not have been effective in this case.

*Allen vs. Culp*, 166 U. S., 501, 504:

"To obviate the injustice to inventors occasioned by the peremptory requirement that the patent should be treated as extinguished from the moment it was surrendered for a reissue, it was provided in Sec. 53 of the Patent Act of 1870, amending the thirteenth section of the Act of 1836 that upon the *surrender of a patent for that purpose a reissue should be granted 'for the unexpired part of the term of the original patent, the surrender of which shall take effect upon the reissue of the amended patent.'* These words were obviously inserted for the purpose of preventing the surrender taking immediate effect, and to postpone its legal operation until the patent should be reissued. When

a patent is thus surrendered, there can be no doubt that it continues to be a valid patent until it is reissued, when it becomes inoperative; but if a reissue be refused, it is entirely clear that the surrender never takes effect, and the patent stands as if no application had never been made for a reissue. Whether, if the reissue be void, the patentee may fall back on his original patent, has never yet been decided by this court, although the question was raised in *Eby vs. King*, 158 U. S., 366, but as the original patent in that case was also held to be void, it did not become necessary to express an opinion upon the question. But if the original application for a reissue be rejected, the original patent stands precisely as though a reissue had never been applied for, unless at least the reissue be refused upon some ground equally affecting the original patent. If it were otherwise, every patentee who applies for a reissue would do so at the peril, not only of having his application refused, but of losing what he already possessed. This was the very contingency the Act of 1870 was designed to provide against."

"It is true that, in making his surrender, the patentee declares that his patent is inoperative and invalid, but this is not necessarily so for all purposes, but for the purpose for which he desires to have it reissued. Such a patent might be inoperative and invalid as against certain persons who had pirated the underlying principle of the patent, and avoided infringing the exact language of the claims, and yet be perfectly valid as against others, who were making machines clearly covered by their language."

The courts will always correct mutual mistakes. It has been so held in the following cases and is an elementary principle of law:

- Snell vs. Insurance Co.*, 98 U. S., 85, 89.
- Rogers vs. Atkinson*, 1 Ga., 25.
- Leitensdorfer vs. Delphy*, 15 Mo., 161, 166.
- Cassidy vs. Metcalf*, 66 Mo., 529.
- Petesck vs. Hombach*, 48 Wis., 443.
- Walden vs. Skinner*, 101 U. S., 577-84.
- Gilespie vs. Moen*, 2 Johns. Ch., 585, 596.
- Kiesselbrack vs. Livingston*, 4 Johns. Ch., 144.
- Cathcart vs. Robinson*, 5 Pet., 264.



*Redelivery of a Patent Divests no Rights of the Patentee.*

Petitioner claims that the existence of a valid and unsurrendered patent is necessary to the continuance of the litigation and that the patent is a specialty contract. We cheerfully concede both of these propositions. A patent is a specialty contract analogous in every respect to a deed and therefore becomes effective upon delivery, and as to the patentee, the delivery is complete upon its recording in the Patent Office in Washington. It is settled law that signing and recording in the Patent Office of the patent completes the contract and that that in itself is a complete delivery and no further delivery or other authentication is necessary to make it perfect and valid.

*United States vs. Schurz*, 12 Otto, 378.

*McCormack H. M. Co. vs. Aultman Co.*, 169 U. S., 606.

*Lonabaugh vs. United States*, 179 Fed., 476, 480 (C. C. A. 8th Cir.)

The analogy between a patent and a deed is exact. The Court has said in *National C. B. S. Co. vs. Terre Haute, etc., Co.*, 19 Fed., 514, 520:

"It (the patent) is like the record of a deed; the record of patents at Washington is notice to every one, just as your title deeds on the records of the proper county are notice to all the world of your title."

We submit that it is not open to discussion that if a warranty deed were delivered from A to B and recorded and B subsequently found a clerical error therein and delivered it back to A who destroyed it, that that would not divest B's title or revest it in A. Similarly the sending by respondent Christensen of the first patent to the Patent Office and its subsequent action in breaking the seal did not divest Christensen of his title or revest it in the United States.

*The Courts will Sustain a Patent if Possible.*

It is the policy of the law to encourage inventors and not to discourage them or to deprive them of their rights, if it is possible reasonably to protect them. The patent should be interpreted so as to *uphold and not destroy the rights of the inventor.*



Said Judge Taft in *Thomson Co. vs. Ohio Co.*, 80 Fed., 712, 730:

"The main invention is confessedly a meritorious one, and we shall be loath to declare it void because of a mistake in the patent office proceedings, if we can, by any reasonable construction of the patents, do otherwise."

To the same purport are the following cases:

*Mahn vs. Harwood*, 112 U. S., 354-361:

"The courts will always exercise a proper liberality in favor of the patentee."

*Hinman vs. Visible Milker Co.*, 239 Fed., 896, 897-8:

"Where this court is convinced that the patentee has made a meritorious invention it has been our steady purpose not to deprive him of its fruits based upon technical reasons only. *Iowa Co. vs. Montgomery*, 234 Fed., 88."

*Providence Rubber Co. vs. Charles Goodyear*, 9 Wall. 788, 804:

"The conduct of the defendants in this respect has not been such as to commend them to the favor of a court of equity. Under the circumstances, every doubt and difficulty should be resolved against them. *Lupton vs. White*, 15 Vesey, 432; *Copeland vs. Crane*, 9 Pick., 79; *Dexter vs. Arnold*, 2 Sumn., 109; *Miller vs. Whittier*, 36 Maine, 585. The allowance was properly denied."

## VI.

THE RULING IN THE PITTSBURGH LITIGATION IN THE THIRD CIRCUIT WAS NOT *RES ADJUDICATA* HERE BECAUSE (a) THE ISSUES IN THE TWO CASES WERE DIFFERENT, (b) THE MERITS OF THE CONTROVERSY IN THE WISCONSIN CASE WERE NOT THEREIN INVOLVED OR DECIDED, (c) THE DECISIONS IN THE PITTSBURGH CASE WERE NOT DECISIONS ON THE MERITS AND THEREFORE CAN FORM NO BASIS FOR PLEAS OF *RES ADJUDICATA*, AND (d) THERE IS NO PRIVACY OF PARTIES.

(a) *Identity of Issues is essential to sustain a plea of res adjudicata.*

In order that petitioner may make out a plea in bar on the grounds of *res adjudicata* it is incumbent upon it to

show that the judgment attempted to be pleaded is not only between the same parties or those in privity (which will be discussed later), but that the issues actually decided were identical and involved the same subject-matter. Unless there is an identity of issues the judgment is not a bar and the rule fails.

The words "identity of issues" are used advisedly. It means more than "similarity" of issues *it means the very same thing*. There is a clear cut logical distinction between things which are nearly similar or alike and those which are identical, and a very slight difference is sufficient to destroy an identity where it would not affect a similarity. This is most clearly shown in a recent decision by this court, to-wit:

*Geo. A. Fuller Co. vs. Otis Elevator Co.*, 245 U. S., 489.

It appeared that one McClosky, the plaintiff in a prior suit, had recovered judgment against Geo. A. Fuller Co. in an action in which it and Otis Elevator Co. were sued as joint defendants. A verdict was directed for the Otis Elevator Co. before the testimony for the Fuller Co. was heard. The Fuller Co. gave evidence to show that the Otis elevator Co. had retained control over the elevator and operator at the time of the accident thereby rendering themselves liable. The Fuller Co. then sued the Otis Elevator Co. for indemnity because of the payment of this judgment. A plea of *res adjudicata* was set up by the Elevator Co.

Justice Holmes after discussing different reasons why the plea of *res adjudicata* was bad, holds that the fact that the issues are different is controlling; and it is sufficient to differentiate the cases that the suit was dismissed as to the Otis Co. on a partial record only and before the Fuller Co.'s evidence was heard, the court saying:

"it would not have been a precedent because the evidence in the present case had additional details, which, if meager, still made it impossible to say as a matter of law that the Otis company did not retain control."

In order to support an estoppel of *res adjudicata*, it is necessary that there be an identity of records including the testimony is thus clearly decided in this case.

The following cases clearly support the rule that there will be no *res adjudicata* where the issues actually liti-

gated in the one case are not the same as those actually litigated in the other.

*Nesbit vs. Riverside Independent District*, 144 U. S., 610.

*Cromwell vs. County of Sac*, 94 U. S., 351.

*Hurd vs. Scim*, 189 Fed., 591.

*Murphy vs. McLoughlin*, 247 Fed., 385. (C. C. A. 5th Cir.)

The first case on this list, *Nesbit vs. Riverside Independent District*, 144 U. S., 610, is almost entirely analogous to the facts in the case at bar. It was held in that case that a judgment on a coupon of a municipal bond where the issue was as to whether or not it exceeded the constitutional debt limit, was not *res adjudicata* in another action between the same parties based on other coupons of the same bonds, *where in addition to the defense of exceeding the debt limit there was a question of notice involved on the part of the plaintiff*. In other words, the only thing that differentiated the two cases and made inapplicable the doctrine of *res adjudicata* through lack of identity of issues was the question of notice, a question which is present in the Pittsburgh case and absent in the instant case. *In other words, just exactly the question differentiating these cases, i. e., the question of notice, has been held sufficient to render inapplicable a plea of res adjudicata.*

The only issue before the Court of Appeals in the *Wright* case was as to the prima facie validity or invalidity of the second patent upon the facts pleaded in the bill and answer. There was no opportunity for that court to hear any evidence on the question, to examine the contents of the file wrapper, to read the history of the patent application in the office, to investigate the circumstances surrounding the reissue, the effect that the reissue might have as to particular defendants, etc. That adjudication therefore is exactly equivalent to the decision by the Court of Appeals of the Third Circuit that the second patent was invalid on the face of the bill, i. e., exactly as if the question had arisen on demurrer to the bill.

It is the undoubted rule that a decision even if it be a final judgment entered on demurrer to a bill does not conclude the issues and is not a basis for a plea of *res adjudicata* in another action where testimony is taken bearing on those issues and shows the whole transaction, particularly where the evidence adds something to the showing of the

bill which might sustain a right of action. Such a basis underlies the decision of *Geo. H. Fuller Co. vs. Otis Elevator Co.*, and the doctrine has been squarely held by the federal courts and also as to patent cases.

A similar case was decided in

*Norton vs. Jensen*, 90 Fed., 415. (C. C. A. 9th Cir.)

A prior suit had been decided between the same parties for infringement by defendant by the use of a certain machine. The second action involved infringement of the same patent but by a different machine made by defendant under a patent of its own. The court held the doctrine of *res adjudicata* had no application because there was no identity of subject-matter.

It has been held in a suit in equity to obtain a patent, the adverse decision of the Court of Appeals in the District of Columbia in an interference proceeding on the same application is *res adjudicata* "only as to those matters as were directly in issue and either admitted by the pleadings or actually tried in a prior interference."

*Sutton vs. Wentworth*, 247 Fed., 493, 502. (C. C. A. 1st Cir.)

No plea of *res adjudicata* is good unless

"it is certain to every intent," and "if, upon the face of a record, anything is left to conjecture as to what was necessarily involved and decided, there is no estoppel in it when pleaded and nothing conclusive in it when offered as evidence."

*Norton vs. Jensen*, 90 Fed., 415, 421. (C. C. A. 9th Cir.)

*Union Steam Pump Co. vs. Battle Creek Steam Pump Co.*, 104 Fed., 337, 339. (C. C. A. 6th Cir.)

### *The Records in the Two Cases Compared.*

An examination of the record offered by defendant in support of its motion shows that the issues in this case are very different from the issues in the Westinghouse case. In the instant case it is immaterial which patent is valid. It is sufficient that there is a grant. In this case there is no question of notice, no question of laches or of want of jurisdiction, or of waiver, and the infringing acts are based upon very different machines from those claimed to be infringements in the Pittsburgh suit.

In the Pittsburgh case the action was commenced fifteen years after the Traction Brake Company had manufactured and sold the pump and motor in suit. There were thus serious questions of laches and estoppel. There was a serious question as to whether there was any equitable jurisdiction in view of the short time the patent had to run, as well as the important question of want of marking, barring the only right to recover which plaintiff would have, namely, an accounting. More than that, the only thing which the Court of Appeals did or could decide was the single narrow issue appearing on the face of the bill and answer, and as we have shown, this issue was different from the issues in the instant case.

(b) *The merits of the controversy in the instant case were not involved or decided in the Pittsburgh litigation.*

There had been no adjudication by the Circuit Court of Appeals in the Third Circuit *on the merits*, as there had been no hearing, no admission of evidence, in the court below. The statement by petitioner's counsel in their brief that there had been a trial was erroneous. There had been no proofs in evidence and no trial whatever. This question was expressly decided by both the Court of Appeals in the Third Circuit and by Judge Orr. The latter said (Rec. p. 215):

"The real reason for setting aside the decree or order of January 7, 1918, is because it is contrary to the fact in stating that the bill as to Patent No. 621,324 was dismissed upon the merits."

The Court of Appeals of the Third Circuit said, in commenting on the motion of the Traction Brake Company (Rec. p. 238):

"To that ruling the defendant did not except. It may be noticed also that the defendant did not offer any testimony which would throw any light upon the merits of the controversy then existing between the parties."

The Pittsburgh decree finally resulted in a dismissal of the bill as to the first patent for want of prosecution. Such a dismissal is not a decree on the merits and petitioner frankly admits such to be the case. It says:

"Usually dismissal for want of prosecution is a dismissal without prejudice." (Brief p. 70.)

They then attempt to argue that because there was an argument in the Court of Appeals on certiorari on the question arising on the bill and answer, that that was an argument "on the merits" and that therefore because of proceedings happening many months thereafter in the District Court this court is to infer that the merits were heard and decided. Nothing could be more palpably illogical and absurd. That the merits were never heard and decided is settled beyond peradventure by the decisions of the very courts to which they refer, i. e., the District Court of Pittsburgh and the Court of Appeals of the Third Circuit.

*Analysis of the Record Shows no Hearing on the Merits in the Pittsburgh Suit.*

In brief the history of this phase of the litigation is this. When the case came up for trial on October 1, 1917, at Pittsburgh, plaintiff's counsel were not advised, consequently were not present. The principal counsel for plaintiffs were not present and the Judge telephoned Mr. Frazer, local counsel, who came over in response to the telephone and there was no showing that he or any counsel had notice that the case was to be called on that date. (Rec. p. 198.) Counsel for the plaintiff then moved that the case be dismissed for want of prosecution. Then the motion was granted and Mr. Frazer through abundant caution excepted. (Rec. p. 199.)

Thereafter petitioner's counsel attempted to plead this decree as a final decree on the merits in pending litigation in Chicago (Rec. p. 201) and becoming satisfied that it could not prevail therein notified defendant in the Pittsburgh case that on January 3, 1918, "I shall move the court to enter the decree hereunto appended, *finally disposing of all the issues in this cause,*" (Rec. p. 200) and the decree proposed provided "that as to patents Nos. 621,324 and 635,280 the bill of complaint is dismissed on the merits." (Rec. p. 200.) Through an error this decree was actually entered on January 7, 1918 (Rec. p. 200), but upon petition being filed by the plaintiffs to have it vacated (Rec. pp. 209-211) a decree was entered by Judge Orr vacating this decree and providing that as to the first patent "the bill stands dismissed for want of prosecution." (Rec. p. 218.) This decree did not "kill the already dead," it merely recognized the mortuary status. It did not say

the complaint is "hereby dismissed" but "stands dismissed." The important thing appears in Judge Orr's opinion and in the exceptions taken to this last mentioned decree by the Traction Brake Company's counsel. Judge Orr stated that he vacated the decree on the merits of January 7, 1918, for the following reasons:

"That decree is not in conformity with the facts, inasmuch as it states that as to patents Nos. 621,324 (first patent) and 635,280 (second patent) the bill of complaint is dismissed *on the merits*. The merits of the controversy were not considered by the court. \* \* \* The subject-matter of the litigation as a matter of fact was not considered by the court at the time such decree was entered, and in that respect the decree was contrary to the fact. \* \* \* The real effect of the words 'upon the merits' in the decree were not seriously considered as they should have been had the principal counsel for the plaintiffs been present." (Rec. p. 215.)

The same matter is reinforced by plaintiffs' exceptions taken on the record at that time (Rec. p 217), the court again saying "That decree of January 7, 1918, is and was contrary to the facts."

In view of this record how can this court or any other court say that the decree dismissing the bill as to the first patent for want of prosecution was entered under circumstances wherein we are to read in and imply a decision on the merits? If, as counsel for petitioner concede, a dismissal for want of prosecution is not necessarily a dismissal without prejudice we submit that the surrounding facts and circumstances in this case show *beyond a reasonable doubt* that there was no intent on the part of Judge Orr to do anything but dismiss without prejudice and that the thought of entering a decree on the merits was so far from being intended by him that he actually refused to enter a decree of this sort when requested because he said "it was contrary to the facts."

#### *A Decree of Non Pros. is not a Bar.*

The dismissal "for want of prosecution" as "to Patent No. 621,324" by the order of October 1, 1917, in the District Court in Pittsburgh was no adjudication upon the merits as to plaintiff's rights under that patent. That was not a bar to other suits based upon that patent. The

meaning of a "dismissal for want of prosecution" is well settled.

*Whitaker vs. Davis et al*, 91 Fed., 720, holds:

"In other words, the plea sets forth a dismissal of the former bill for want of prosecution. An order dismissing a bill for want of prosecution is not a bar to another bill. Story Eq. Pl., 793; Coop. Eq. Pl., 270; 1 Daniel Ch. Proc. (6th Am. Ed.), 811; *Kempton vs. Burgess*, 136 Mass., 192. See also *Ryan vs. Seaboard & R. R. Co.*, 89 Fed., 397, 403."

To the same effect is *Brown vs. Fletcher*, 182 Fed., 989 (C. C. A. 6th Cir.)

"An order dismissing a bill for want of prosecution is not a bar to another bill."

That question was thus sharply litigated in the Pittsburgh litigation and also on the second application to the Court of Appeals for the Third Circuit for writ of certiorari. The opinion is quite clear. (Rec. p. 235 et seq.) That decision reviews in admirable detail the various efforts of petitioner's counsel to obtain a decree on the merits as to the first patent and their equally numerous failures and finally winds up by finding and completely determining as between the parties that there was no decree ever entered in that circuit on the merits as to the first patent.

In view of this undisputed record it strikes us as taking considerable temerity to urge that the dismissal for want of prosecution can in this case be tortured into the equivalent of a decree on the merits where the court rendering the decree and the appellant tribunal have both said in construing that decree that it was not on the merits.

(c) *The decisions in the Pittsburgh case were not decisions on the merits and therefore can form no basis for pleas of res adjudicata.*

To constitute a judgment or decree a *res adjudicata* so as to be a bar in any other court in a suit between the same parties or their privies relative to the same subject-matter, the judgment or decree must have been final and must have been rendered or entered on the merits. In

*Stout vs. Lye*, 103 U. S., 66, 68, this court said:

"It is a doctrine of law too long established to require the citation of authorities, that, where a court



has jurisdiction, it has a right to decide every question which occurs in the cause, and whether its decision be correct or otherwise, its judgment, till reversed, is regarded as binding on every other court; and that where the jurisdiction of a court, and the right of the plaintiff to prosecute his suit in it, have once attached, that right cannot be arrested or taken away by proceedings in another court."

*Walden vs. Rodley*, 14 Pet., 156-161.

"As the first bill was dismissed for want of jurisdiction, and the second by the complainants, at rules, in the clerk's office, it is clear that neither can operate as a bar to the present bill. A decree dismissing a bill generally, may be set up in bar of a second bill, having the same object in view; but the court dismissed the first bill on the ground that they had no jurisdiction, which shows that the case was not heard on its merits. And this also appears from the dismissal by the party of the second bill in the clerk's office." (*Italics ours.*) In *Russell vs. Place*, 94 U. S., 606, 608, the court said:

"It is undoubtedly settled law that a judgment of a court of competent jurisdiction, upon a question directly involved in one suit, is conclusive as to that question in another suit between the same parties. But to this operation of the judgment it must appear, either upon the face of the record or be shown by extrinsic evidence, that the precise question was raised and determined in the former suit. If there be any uncertainty on this head in the record—as, for example: if it appear that several distinct matters may have been litigated, upon one or more of which the judgment may have passed, without indicating which of them was thus litigated, and upon which the judgment was rendered—the whole subject-matter of the action will be at large, and open to a new contention, unless this uncertainty be removed by extrinsic evidence showing the precise point involved and determined. To apply the judgment, and give effect to the adjudication actually made, when the record leaves the matter in doubt, such evidence is admissible." (*Italics ours.*)

The decision in the Pittsburgh litigation cannot be said to be a final decree on any phase of the case. It was at most a mere advance ruling on evidence, not a final ruling on anything. It was equivalent to a motion to strike on

the ground of redundancy or that the bill had pleaded evidence and not facts, the motion being to strike the evidence from the bill. Any ruling on such a judgment as this is not and cannot be a ruling on the whole merits of the controversy tendered by the bill and therefore is not a decision on the merits so as to be a bar. See elaborate analysis of this decision by Judge Geiger in the court below. (Rec. p. 312.)

Even if there is any repugnancy or conflict between the decisions of the Circuit Courts of Appeals in the Seventh and Third Circuits (which we deny), and if there is such a privity of parties and such an identity of subject-matter as to invoke the doctrine of *res adjudicata*, under and by virtue of that very doctrine of *res adjudicata*, the decision in the Seventh Circuit controls. It was an adjudication which bound the Circuit Court of Appeals in the Third Circuit; and if the latter court made any decision adverse to or in conflict with that of the Circuit Court of Appeals in the Seventh Circuit the latter's decision prevails because the mandate in the Seventh Circuit was issued long before any decision in the Third Circuit which might be considered an adjudication. Indeed, there had never yet at any time been any decision in the Third Circuit which could be considered final and conclusive as to the merits of this case.

The proposition is well expressed in the case of *United States Fastener Co. vs. Bradley*, 143 Fed. 523, 530-1:

"It is well settled that a decree or judgment in a suit between certain parties is a bar or estoppel to the prosecution of a second action upon the same claim or demand between the same parties, or their privies, if rendered upon the merits. *If not rendered on the merits it is no bar or estoppel.* \* \* \* The rule is well stated in *Hughes vs. United States*, 4 Wall. at page 237 (18 L. ed., 303), where it is said:

"In order that a judgment may constitute a bar to another suit, it must be rendered in a proceeding between the same parties or their privies, and the point of controversy must be the same in both cases, and must be determined *on its merits.*" (Italics ours.)

In this connection we beg leave to refer to the authorities cited and arguments made under other parts of this brief.

(d) *There Is No Privity of Parties.*

We contend that there is no privity shown between the petitioner and the Westinghouse Traction Brake Company that has at all times been open and avowed as must be the case under the authorities. There has at all times been careful concealment of the fact that the petitioner herein was under the control of or operated by the Westinghouse Traction Brake Company. The assets of the National Electric Company, Christensen's licensee, were sold at bankruptcy sale, and as we now know, bought in by the Westinghouse *Air Brake Company* in 1906. The transactions all appeared in the name of Charles L. Sullivan. (Plffs.' Ex. 64 and Rec. p. 156.) The stock was held in the name of John F. Miller under an undisclosed trust for the *Air Brake Company* and even President Tell of the petitioner who has worked for the petitioner throughout its entire existence did not surely know whether the stock was owned or the control was with the Westinghouse Traction Brake Company or the Westinghouse *Air Brake Company*. (Rec. pp. 138, 141.)

It is true that certain negotiations were had between Christensen, his then attorney, E. H. Bottom and Miller and Westinghouse in 1906, and that it was then assumed that they were officers of the Westinghouse *Air Brake Company*, a stranger to the proceedings. If, as counsel argue in their brief, Christensen and his said attorney thought in 1906 that the negotiations were had on behalf of the Westinghouse Traction Brake Company they were in error, as the undisputed record shows that that company had no interest in the petitioner by way of stockholding or otherwise at that time, nor not until about five years later. So far as the facts then were, the Traction Brake Company was at that time an entire stranger to petitioner. It was not until John F. Miller testified in Pittsburgh that it was definitely known that the stock in the petitioner herein had been transferred from the Westinghouse *Air Brake Company* to the Westinghouse *Traction Brake Company* as of July 31, 1911. That testimony appeared only in the accounting in the Wisconsin litigation and was not put in by petitioner until December 14, 1917, (Rec. pp. 155, 156, 158, 159) after the entry of the two decrees relied on by petitioner.

During all this time the Westinghouse *Air Brake Company* published a list of affiliated companies and it was

careful to exclude petitioner therefrom, and was at all times trying to let the public as well as respondents believe that petitioner was a separate, independent, and distinctly competitive corporation. The record shows that the Westinghouse Air Brake Company and the Westinghouse Traction Brake Company published circulars, catalogues, etc., giving lists of affiliated and associated companies. One of the catalogues shows among the companies associated with the Westinghouse Air Brake Company, were eight others, including the American Air Brake Company, Westinghouse Traction Brake Company, etc., but carefully omitting petitioner. Messrs. Westinghouse and Miller, respectively chairman of the board of directors and president of the Traction Brake Company, testified on this point and also as to competition that existed between these companies and the way the public was led to believe as to its existence. Their testimony is as follows: Mr. Westinghouse said: (Rec. p. 155)

"XQ-110. Will you refer to the last page of that catalog or bulletin? There is a list of affiliated companies given, which, I notice, does not contain the defendant, the National Brake & Electric Company. It is a fact, is it not, that that company was not generally advertised to the trade as being affiliated with either the Westinghouse Air Brake Company or the Westinghouse Traction Brake Company?"

"A. I do not recall that it was so advertised." John F. Miller testified: (Rec. p. 161.)

"XQ-106. Was the defendant company considered a competitor of the Traction Brake Company in the traction brake business since 1906?"

A. I don't think so.

XQ-107. Is it entirely owned and controlled by the Air Brake Company and Traction Brake Company, and for that reason you would not consider it a competitor?"

A. Not in the sense of being a company in other hands, but they have been competitive in the sense that we always put the selling force of one company up against the selling force of the other company, in an effort to see which would get the best results.

XQ-108. And the public was encouraged to look upon them as competitors, was it not?"

A. No effort was made to encourage them in that belief.

XQ-109. Or to discourage them?

A. Or to discourage them.

XQ-110. It was not customary to list it in your list of affiliated companies in publications, I suppose?

A. I believe not."

Mr. Westinghouse also testified as follows: (Rec. p. 155.)

XQ-82. Did you consider the National Brake & Electric Company, the defendant in this case, a competitor of either the Westinghouse Air Brake Company or the Traction Brake Company on and after 1906?

A. We considered the National Brake & Electric Company as supplying a field, and a type of machine, in which the apparatus furnished by the Traction Brake Company was not found as marketable as that of the National Company."

The Traction Brake Company suit was commenced by the filing of bill March 11, 1916 (Rec. p. 55). Previous to that time the only Westinghouse Company that had appeared in the transactions was the Westinghouse Air Brake Company, which is a stranger to both litigations. We submit that it is impossible for the petitioner to attempt to claim privity because of the existence of that company or any of its transactions. The first definite knowledge that respondent Christensen had of the transfer of the stock of petitioner from that company to the Traction Brake Company was the testimony of John F. Miller in December, 1917, hereinbefore referred to, although prior to that there was plenty of confusion on the part of petitioner's own officers as to the intercorporate contracts and relations between the Air Brake and Traction Brake Companies. *If they did not know surely respondent Christensen cannot be charged with knowledge and it cannot be said that the privity was open and avowed.*

It may be true that since 1911 the Traction Brake Company has owned the equitable title to all the stock in and thus had a right of control over the defendant herein. But the truth is that this fact was not published but was carefully concealed by means of having the stock stand in the name of *John F. Miller, an officer of both companies*, taking title to the property in the name of Charles L. Sullivan, the money being advanced for the Air Brake Company by the Standard Trust Company, and other simi-

lar devices to conceal the true situation. Furthermore, as the record shows, the different witnesses were not themselves clear as to the stock ownership or interrelation of the two companies, and the fact was not distinctly brought out that the stock had been transferred from the Air Brake Company, which organized the petitioner and held its stock for many years, to the Traction Brake Company until John F. Miller testified at Pittsburgh in December, 1917, that the *cestui* for whom he held the stock had in 1911 been changed from the Air Brake Company to the Traction Brake Company without any change in the legal title or any change upon the records and books of petitioner. This date was after the entry of the decrees relied upon by petitioner, they being entered October 1, 1917. Up to the time that those decrees were entered the petitioner did not know and had no means of knowing that the Traction Company was the owner of this stock. From its examination of petitioner's officers it knew that either the Air Brake Company or Traction Brake Company claimed to be such owner but the officers of the petitioner itself were not themselves clear which owned it. Can it be said with any ground of reason that Christensen should know more than they, particularly when he knew that the original purchase of the assets and organization of the company was all done by the Air Brake Company? *The burden of establishing and bringing home the true situation to respondents is not merely that they should show such facts as would put respondents on inquiry, but they must make a record which shows that the identity and the control were completely and unequivocally open and avowed.*

It is the undoubted rule that a mere stock holding by one corporation in another corporation is not sufficient to make them privies. This is true even though the one has the controlling stock interest in the other and by reason thereof is the moving cause in employing the counsel that actually defended the case. The basis of privity must be that the privy has a right to and actually does control the litigation. Whatever the rule might be as to the right of the Traction Brake Company to control the litigation in this court, it is clear that the petitioner here had no right to control or participate in any way in the litigation in the Pittsburgh case. It had no stock interest in the Traction Brake Company and no control of its methods or the conduct of the case, consequently it is not a privy

in the sense necessary in law to sustain petitioner's contentions. The rule has been thus stated in

*Wilgus vs. Germain*, 72 Fed., 773 (C. C. A. 9th Cir.)

wherein it appeared that certain partners were stockholders of the company that was sued were present and took leading parts in the suit against the corporation for infringement of a patent. They were held not to be bound by the decision, the court saying (p. 775):

"In order that one not a party may be precluded by a former adjudication, he must have been privy to the former proceedings or connected therewith in such a way that he had the right to control the litigation, or at least the right to appear by counsel and make motions and offer evidence and examine witnesses."

There are other cases to the same effect, to-wit:

*Victor Talking Machine Co. vs. American Graphophone Co.*, 189 Fed., 359, 374.

*Greene vs. Bogue*, 158 U. S., 478-503.

*Stromberg Motor Devices Co. vs. Zenith Carburetor Co.*, 220 Fed., 154, 157.

*Cramer vs. Singer Mfg. Co.*, 93 Fed., 636-7 (C. C. A. 9th Cir.)

*Foote vs. Parsons Non-Skid Co.*, 196 Fed., 951-3 (C. C. A. 6th Cir.)

*Lane vs. Welds*, 99 Fed., 286-8 (C. C. A. 6th Cir.)

The record is entirely silent as to any participation in or assumption of the defense of the Pittsburgh case by the petitioner, and not only that, but it is equally silent as to any such participation being open and avowed or brought to the knowledge of plaintiffs. The rule is clear that such participation must be open and avowed so that the estoppel may be mutual, otherwise the judgment is not binding. It has been held in

*General Electric Co. vs. Morgan Gardner Electric Co.*, 168 Fed., 52, 56 (C. C. A. 7th Cir.)

that the fact that a manufacturer had paid part of the attorneys' fee and assisted in the defense of a customer, which was not disclosed to the plaintiff, would not be binding upon the plaintiff, the court saying:

"While the proofs show that appellee paid an attorney who appeared for the Garrett Coal Company and defended the suit, and that, at the conclusion of the liti-



gation, appellee paid a part or possibly all of the court costs, there is no proof that the attorney was not under the exclusive direction and control of the Garrett Coal Company or that appellee had any standing except as an interested and sympathetic non-participant."

In

*Jefferson, etc., Co. vs. Westinghouse, etc., Co.*,  
139 Fed., 385, 386 (C. C. A. 3rd Cir.)

the court held a plea of *res adjudicata* was bad where no *scienter* was shown, and said:

"Certain it is that the Diamond Meter Company did not avowedly or openly conduct the defense in the Catskill case. No doubt (as now appears) that company did carry on the defense at its own expense, but this was done with such secrecy as not to expose its connection with the litigation. The allegation that the complainant knew that the Diamond Meter Company was participating in the defense of the Catskill case is not sustained by the proofs. The counsel for the complainant, indeed, had reason to suspect that the Diamond Meter Company was conducting the defense in the Catskill suit, but we think the evidence fails to bring home to them any certain information on the subject. The proofs as a whole satisfy us that the purpose of the Diamond Meter Company was to maintain such an attitude with reference to the Catskill suit that it might have the indirect benefit of the decree if favorable to the defendant therein, and yet not be concluded should the decree be adverse to the defendant. But if the Diamond Meter Company desired that the decree in the Catskill suit should operate as an estoppel in its favor, it was bound by avowal or open action to place itself in such an unequivocal position that the decree would be mutually binding as *res adjudicata* upon itself and upon the complainant. *Litchfield vs. Goodnow's Adm'r*, 123 U. S., 549, 8 Sup. Ct., 210, 31 L. Ed., 199; *Andrews vs. National Foundry & Pipe Works*, 76 Fed., 166, 22 C. C. A., 110, 36 L. R. A., 139; *Cramer vs. Singer Mfg. Co.*, 93 Fed., 636, 35 C. C. A., 508; *Lane vs. Welds*, 99 Fed., 286, 39 C. C. A., 528. Having concealed its connection with the Catskill suit while it was pending, it is too late now for the Diamond



Meter Company to set up the final decree in that case as an estoppel against the complainant."

The facts in that case are almost identical with the facts in this case. If the court in the Pittsburgh case had held the patent valid and infringed would we have expected on the part of petitioner any expressions of willingness to be bound by that decree in this or any other circuit? We submit that petitioner would not so have acted and that the record is absolutely silent as to any certain knowledge on the part of respondents as to petitioner's control of the litigation therein.

It is clear from the whole record that the Westinghouse Companies were playing a careful, secretive game. They were not disclosing any identity between the National Brake & Electric Company and the Traction Brake Company. Moreover the control of the petitioner was with the Westinghouse Companies and there was no corresponding control of the Westinghouse Companies by petitioner. Petitioner was an entire stranger to the Pittsburgh proceedings, had no right of participation therein or control thereof and did not participate therein in any wise. We submit therefore that the parties are not privies in the sense necessary in law to sustain petitioner's contentions and that the Westinghouse people are not entitled to conceal their ownership of petitioner until after final decree and then come and claim the benefit of the adjudication therein.

## VII.

THERE IS NO DECREE IN THE PITTSBURGH LITIGATION AGAINST RESPONDENTS OR THEIR PRIVIES ON THE MERITS OF THE FIRST PATENT. IF PRIVACY BE ASSUMED, THERE IS A DECREE IN THAT LITIGATION WHICH IS BINDING ON THE PARTIES HERETO AND WHICH UPHOLDS THE VALIDITY OF THE FIRST PATENT IN VIEW OF THE ISSUE OF THE SECOND.

Petitioner's counsel state in their brief that there is no decree holding the first patent valid. The Court of Appeals in the Third Circuit held that while both patents could not, in their opinion, be valid, yet one of them was and "as between the two our decision is in favor of the first patent." (Rec. p. 111.) Not only that, but it re

manded the case for further proceedings upon the first patent. (See opinion of the Court on the first certiorari, Rec. pp. 107, 112, and the mandate therein, Rec. p. 113.)

The mandate orders that

"the decree of dismissal of the said District Court in this cause be, and the same hereby is reversed with costs, so far, and so far only, as it affects patents No. 621,324 issued March 21, 1899, and No. 635,280 issued October 17, 1899, and the bill is reinstated for further proceedings in conformity with the opinion of this court."

the opinion of the court having said that the case stood

"with the same effect as if the bill had originally been brought under the first patent."

Nay the court, not being satisfied with these clear statements *ex abundanti cautela* closes its opinion thus:

"To avoid misunderstanding, and if possible to prevent further controversy on several points, we may add that the petitioner is at liberty to urge any defense that may be available under its answer, with the same effect as if the bill had been originally brought under the first patent. On these matters we decide nothing, and we express no opinion upon the question (1) whether, in view of the date when the bill was filed, the remedy in equity was open to the plaintiffs; or upon the question (2) to what extent the petitioner is liable to account in case the equitable remedy be adjudged to have been available, and the petitioner be found to have infringed. (Rec. p. 112.)

If, as petitioner claims (which we do not by this argument concede) that the National Brake & Electric Co. is a privy of the Westinghouse Traction Brake Co., then this position that the first patent is valid is binding not only on the Traction Brake Company but on the defendant in the Wisconsin suit and is as much entitled to be pleaded in the Wisconsin suit as is the decree entered on the other phase of the Pittsburgh litigation, i. e., as to the second patent, entitled to be so pleaded.

## VIII.

IN ANY EVENT THIS COURT HAS POWER (IF IT HAS JURISDICTION), IF IT DEEMS IT NECESSARY OR ADVISABLE TO DISREGARD THE REFERENCE TO THE SECOND PATENT OR, IF NECESSARY, TO CONSTRUER THE MANDATE AND DECREE SO AS TO REFER TO THE MONOPOLY RIGHT OR CONTRACT IRRESPECTIVE OF PATENT NUMBERS OR WITH PARTICULAR REFERENCE TO THE FIRST PATENT.

In the event that this court shall decide (a) that it obtained no jurisdiction by the issuance of the writ of certiorari, or (b) that the decree of the Court of Appeals for the Seventh Circuit holding the patent valid and infringed was a final decree, or (c) that it was final so as to constitute the law of that case, then and in any of such events no revisory action will be necessary by this court. Should this court hold that such decree is final, that necessarily disposes of the whole matter. On the other hand, should this court hold that the decree is interlocutory, then it has power, assuming its exercise to be necessary or advisable, either to construe that decree or to amend it to conform to the facts. If the decree be interlocutory it must of necessity be *in gremio* at least for the purposes of amendment and construction.

The trial in the District Court for the Eastern District of Wisconsin on the whole issues was on a full and elaborate record and presented all the evidence that was or is necessary to permit that court or this court to determine any and all of the questions involved between the parties. All the defenses were made that were open and available to petitioner to make, and there was no defense of want of notice or marking. This was caused, first, by its admission of these issues, and second, because the undisputed record shows not only marking under the second patent but complete personal notice brought home to petitioner of both patents, among other things by being licensed under both patents at the same time, by extended conferences of petitioner's officers held at Wilmerding, Pennsylvania, at which both patents were gone over by its patent experts in attempts to devise a non-infringing compressor, by the allegation of its answer filed in 1907 in which it set up the existence of the first patent as a de

fense to the second, and by its continuing to infringe after the filing of the bill and the amended bill setting up both patents. In short, the finding of the Master in the Wisconsin litigation that the infringement "*can fairly be called wanton and deliberate*" is well founded.

Petitioner has argued its case to the Wisconsin court on every conceivable theory, whether self-consistent or not, it has submitted all the evidence available, nay more, it has stipulated that the evidence it has put in is applicable to both patents and made a complete record as to each, and thus it is estopped from now or hereafter attempting to set up any new issues (after several years of expensive accounting litigation in reliance thereon) by its admissions, its stipulation, and by the record.

In the event that this court shall find the decree of the District Court for the Eastern District of Wisconsin is interlocutory merely and that the decree in the Third Circuit was final as to the second patent, we submit it will be the duty of this court, in furtherance of the administration of justice, to construe the decree in the Seventh Circuit in conformity, not only with the construction placed thereon by the District Court and the Circuit Court of Appeals for that circuit, but also in conformity with the decree of the Circuit Court of Appeals for the Third Circuit wherein the latter court states that its holding is in harmony with that of the Seventh Circuit as respects the validity of the first patent. Such a construction would exactly conform to the prayer of the amended bill and would be entirely consonant with the limitation of the term of the patent monopoly grant as conceded and contained in the bill and contained in the decree itself, i. e., March 21, 1916, seventeen years from the issue of the first patent.

In event that this court sees fit to go into the question of double patenting and determine which of the two patents evidences the grant to respondent Christensen, this court has power in view of the record before it to direct the United States District Court for the Eastern District of Wisconsin to treat its decree of August 21, 1914, which upholds the patent grant and in terms refers to the second patent, as being based upon the first patent. Such a direction seems to us hardly necessary in view of the opinion of the District Judge (Rec. p. 242) wherein he takes that same view. However, should it be thought necessary to admonish the District Court or to actually amend the decree in terms but not in substance so as to refer to the

first patent, such amendment could be directed by this court. Respondents' position is that were any amendment to be made it should amend the decree in consonance with the prayer of respondents' amended bill, i. e., to find the existence of the patent grant in respondent Christensen, the date of the termination thereof and without necessarily referring to either of the two patents as being the sole evidence of the grant.

The power of this court to make such construction, or, if necessary, modification, either in the decree of August 21, 1914, or in the further decree to be entered finding the amount of the damages and profits, is clearly existent, and has been exemplified by the action of this court in other cases. In

*The Tremolo Patent*, 23 Wall. 518, 527, this court made amendments more far-reaching than any such amendment would be in this case, and made them even after the entry of final decree. As illustrative of the doctrine, we quote from that case as follows:

"We think that the order of the court directing that the record be amended by inserting in the bill an averment of the second reissue was properly made, under the circumstances of the case, though made after the final decree. For practically the rights of the complainants under the second reissue, and the defendants' infringement thereof were in issue under the answer and the replication. The amendment deprived the defendants of no rights which they had not enjoyed during all the progress of the trial. It may well be denominated only an amendment of form, because it introduced no other cause of action than that which had been tried. It is true that an amendment which changes the character of the bill ought not generally to be allowed after a case has been set for a hearing, and still less after it has been heard. The reason is that the answer may become inapplicable if such an amendment be permitted. But in this case the defendants were not prejudiced. They had every advantage they could have had, if the bill had originally averred the second reissue. The case is undoubtedly anomalous, but we think justice would not be subserved by denying to the Circuit Court the power to order such an amendment as was made, after the cause was tried precisely as it must have

been tried if the bill had originally contained the averment inserted by the amendment." (P. 527.) (*Italics ours.*)

### CONCLUSION.

or the reasons stated respondents respectfully submit:

1. That petitioners have mistaken their remedy and this court is without jurisdiction to review by certiorari the original proceeding brought in the Circuit Court of Appeals for the Seventh Circuit.

2. That the decision and decree of the courts in the Seventh Circuit are correct and final adjudications and constitute the law of the case and were binding upon those courts and should not be set aside or reversed because of any adjudications elsewhere.

3. That there is no conflict between the decisions of the Courts of Appeal of the Third and Seventh Circuits. Both have found a valid patent right in respondent Christensen. If there is such conflict the decision in the Seventh Circuit, being first, should control.

4. That the rights of respondent Christensen should not be lost by reason of the patent office errors nor frittered away by any such judicial legerdemain as is claimed by petitioner.

5. The decree of the District Court in Wisconsin and of the Court of Appeals for the Seventh Circuit were both correct, particularly as construed by those courts, and no ground for correction arises, but if interpretation or modification is necessary it should merely be to the extent of declaring respondent Christensen's right without reference to the second patent as the sole evidence thereof.

Respectfully submitted,

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## APPENDIX A.

## (A) CHRONOLOGY OF WISCONSIN SUIT.

Date.	Record page.	
Mar. 21, 1899		Patent No. 621,324 issued.
Oct. 17, 1899	106	Patent No. 635,280 issued.
Dec. 17, 1906		Equity suit No. 474 commenced in District Court, bill setting up patent No. 635,280.
Mar. 1, 1907	26	Answer filed.
Nov. 12, 1913	18	Amended bill including patent No. 621,324 filed.
Feb. 10, 1914	30	Order entered re answer to original bill standing as answer to amended
Aug. 1, 1914	32	Opinion of Geiger, D. J. upholding patent, finding infringement, etc.
Aug. 21, 1914	39	Decree holding patent valid and infringed and ordering accounting.
Oct. 5, 1915	41	Decision of C. C. A. 7th Circuit affirming District Court. (229 Fed. 564).
Jan. 3, 1916		Rehearing denied by C. C. A.
Feb. 21, 1916	50	Writ of certiorari denied by U. S. Supreme Court. (241 U. S. 659).
Mar. 4, 1916		Mandate of C. C. A. 7th Circuit record transmitted to H. L. Kellogg, special master, and accounting commenced.
Mar. 9, 1918	16 17	Motion made in District Court to stay proceedings and dismiss bill.
July 26, 1918	242	Opinion by Geiger, D. J., denying motion to stay proceedings and to dismiss bill.
July 31, 1918	252	Order by Geiger, D. J., denying motion.
Dec. 3, 1918		Motion filed by defendant for leave to file supplemental answer setting up the asserted res adjudicata.
Dec. 7, 1918		Order entered denying motion for leave to file supplemental answer.
Mar. 26, 1919		Final report of special master filed.



July 14, 1919	Motion of petitioner to stay accounting because of certiorari argued before Geiger, J.
Sept. 19, 1919	Motion denied by Judge Geiger.

(B) PITTSBURGH LITIGATION.

Date.	Record page.	
Mar. 11, 1916	57	Suit commenced in District Court against Traction Brake Company.
Feb. 24, 1917	102-4	Suit dismissed by District Court without prejudice on motion of plaintiffs.
Mar. 1, 1917	104	Defendant's motion made for judgment on the record as to patents Nos. 621,324 and 635,280.
Apr. 23, 1917	50	Petition for writ of certiorari or mandamus to review order of Feb. 24/17, filed in C. C. A. Third Circuit.
July 3, 1917	107	Decision of C. C. A. Third Circuit holding as between the two patents patent No. 621,324 was valid and patent 635,280 was void as evidence of the grant. (243 Fed. 901).
July 3, 1917	113	Decree of C. C. A. 3d Cir., filed reversing and modifying decision of lower court.
Aug. 3, 1917	114	Mandate of C. C. A. Third Circuit filed in District Court.
Oct. 1, 1917	115	Decree entered by District Court pursuant to mandate dismissing action as to patent No. 635,280.
Oct. 1, 1917	117-198	Order entered dismissing bill as to patent No. 621,324 for want of prosecution.
Dec. 1, 1917	201	Motion for dismissal of bill on the merits.
Jan. 7, 1918	200	Decree of District Court dismissing entire suit on merits.
Jan. 10, 1918	209	Petition to vacate decree of January 7, 1918.

Feb. 11, 1918	214	Opinion of Orr, D. J., vacating decree of Jan. 7/18.
Mar. 11, 1918	218	Decree entered vacating decree of Jan. 7/18 and dismissing bill as to patent 621,324 for want of prosecution.
Mar. 1918	191	Petition filed with C. C. A. for the Third Circuit praying that decree of March 11/18 be vacated and decree of Jan. 7/18 reinstated.
June 3, 1918	235	Opinion of C. C. A. 3d Circuit affirming decree of March 11/18. (252 Fed. 392).
June 3, 1918	241	Order of C. C. A. 3d Circuit denying petition for mandamus, etc.

(C) ORIGINAL PROCEEDINGS IN C. C. A. SEVENTH CIRCUIT LOOKING TO DISMISSAL OF WISCONSIN LITIGATION.

Date.	Record page.	
Aug. 19, 1918	1 & 253	Original petition filed in C. C. A. 7th Circuit.
Aug. 19, 1918		Motion for stay of accounting pending hearing said petition argued and denied.
Sept. 10, 1918	7	Answer to petition filed denying jurisdiction, privity, etc.
Apr. 29, 1919	255	Decision filed in C. C. A. 7th Circuit denying petition. (258 Fed. 880).
June 2, 1919		Petition for writ of certiorari to U. S. Supreme Court filed.
June 9, 1919		Writ of certiorari granted.
June 20, 1919	220	Record on certiorari sent to Supreme Court.
Sept. 30, 1919		Petition to stay accounting because of certiorari filed in C. C. A. 7th Circuit.
Oct. 6, 1919		Answer to petition for stay in C. C. A. served and filed.
Oct. 7, 1919		Petition for stay in C. C. A. argued and dismissed for want of jurisdiction.

- Oct. 27, 1919      Motion for writ of prohibition in U. S. Supreme Court filed.
- Nov. 10, 1919      Motion for writ of prohibition in U. S. Supreme Court denied.
- Nov. 17, 1919      Motion to dismiss writ of certiorari for want of jurisdiction filed in the Supreme Court.
- Nov. 17, 1919      Order entered by Supreme Court postponing motion to dismiss and ordering oral argument in connection with hearing on the merits.

FILED  
DEC 6 1920

JAMES D. MAKER,  
CLERK.

IN THE

# Supreme Court of the United States.

OCTOBER TERM, A. D. 1920.

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No. 111

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NATIONAL BRAKE & ELECTRIC COMPANY,  
*Petitioner,*

*vs.*

NIELS A. CHRISTENSEN AND ALLIS-CHALMERS  
COMPANY,  
*Respondents.*

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ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF  
APPEALS FOR THE SEVENTH CIRCUIT.

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## REPLY BRIEF FOR PETITIONER.

---

JOHN S. MILLER,  
EDWARD OSGOOD BROWN,  
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CHARLES A. BROWN,  
*Counsel for Petitioner, National  
Brake & Electric Company.*



IN THE  
**Supreme Court of the United States.**

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---

BRIEF FOR PETITIONER IN REPLY.

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I.

RESPONDENTS' MOTION TO DISMISS CERTIORARI FOR WANT OF  
JURISDICTION.

Counsel for respondents in their main brief (pp. 14-15),  
renew their motion to dismiss which was submitted at Oc-  
tober term, 1919; and they add some further argument  
and authorities to their former brief filed with their mo-  
tion; to which we ask leave to reply and supplement our  
former brief in opposition to the motion to dismiss.

*Ground of Motion to Dismiss.*

This motion is based upon the ground that the pro-  
ceeding in the Court of Appeals, here under review, was  
an original and independent suit, and not a dependent  
or supplemental proceeding in the patent suit and ap-

peal, No. 2163, in the Court of Appeals; and was not a suit arising under the patent laws; and, therefore was not one in which the decision of the Court of Appeals was made final by Section 128 of the Judicial Code; and so was not one the judgment in which can be reviewed by this court by certiorari under Section 240; but was one reviewable here only by appeal under Section 241 of the Judicial Code.

1. In order to get on common ground let us apply the test which respondents' counsel prescribe (brief, p. 14) viz., that the proceeding is to be characterized solely by the mould in which petitioner first cast his petition and the name which he first gives to it, and that he is thereby estopped to claim it to be anything else.

Looking now at the petition (Rec., 1 to 6), it will be seen that so far from bringing an independent suit or proceeding, the petitioner *entitled* and *made* its petition here in question in the *Patent Case No. 2163* on the docket of that court—the case of the appeal by petitioner from the interlocutory decree of the District Court of August 21, 1914, in Case No. 474 in equity. Petitioner designated such “application” also as a “motion” in said cause (Rec., 1, 2, 6), and itself as “applicant and petitioner” who “moves and prays.” (Id., 5.) The petition designates the decree of August 21, 1914, an interlocutory decree (Id., 2), and alleges that petitioner is advised that the Court of Appeals having affirmed said decree of August 21, 1914, the District Court has not and may not have without the assent or authority of the Court of Appeals, the right to entertain a motion or application to set aside said decree so affirmed; and alleges that the Circuit Court of Appeals has jurisdiction and power to entertain such motion or application there made. (Rec., 4.)

So we submit that the petitioner cast its petition in the "mould" of a dependent or supplemental proceeding for review, and not of an independent suit.

2. *Again, the Respondents and the Circuit Court of Appeals, as well as the Petitioner, treated and dealt with the Petition and proceeding as made in said Patent Case No. 2163, and not as an independent suit.*

For instance, the rule upon respondents to answer the petition—which bore the express approval of counsel for both parties endorsed thereon—was entitled, "No. 2163. *National Brake and Electric Company, Appellant-Petitioner, v. Niels A. Christensen and Allis-Chalmers Company, Respondent-Appellees.*" (Rec., 6.) The answer of respondents was entitled in the same way (Rec., 7); as was the stipulation of the parties as to the record. (Rec., 13-14.) And all the orders made by the Court of Appeals, and its opinion, were entitled in said cause, No. 2163, on the docket of that court. (Rec., 254, 255, 256, 264.) The case No. 2163 in the Circuit Court of Appeals and No. 474 in equity, in the District Court were stages of one suit.

Our petition was supplemental and in review and brought before the court (while the Patent Case No. 2163 in the Court of Appeals and No. 474, in Equity, in the District Court was still in an interlocutory stage), new matter—a new fact—which had occurred since the former interlocutory orders, viz., the final judgment of the District Court in the Pennsylvania suit (which was between the same plaintiffs and a privy of the defendant), adjudging the second patent to be invalid.

The proceedings here bore upon a principal issue in said Wisconsin suit, viz., the question of the validity of said second patent.



3. The designation of our proceeding here in question as "an original proceeding" in the opinion of the Circuit Court of Appeals and in our petition for certiorari is of no significance on the material question here.

The character of the proceeding is shown by the petition and record, and not by what it may have been so called.

In the opinion of the Circuit Court of Appeals after a brief statement of the prior litigation, it is said:

"And now petitioner comes before us in an original proceeding, asking that we recall our mandate, vacate our decree, find that the Pennsylvania decree is *res adjudicata* in this case, and thereupon direct the vacation of the Wisconsin decree and the dismissal of the bill on the merits." (Rec., 257.)

Our petition for certiorari (p. 10), and our brief in support thereof (p. 11) referred to this designation of the proceeding by the Court of Appeals, and spoke of it under the same designation. The statement by the court of the proceeding and what it seeks, which we have just quoted, clearly shows that it was one in the Patent Case No. 2163 in that court, and excludes any theory that it was a new or independent suit or proceeding, as the respondents claim for it.

The proceeding was "original" only in the sense that the petition was made directly in the Court of Appeals and did not reach that court by appeal from a ruling thereon by the District Court. And that was the sense in which the word was used.

4. This proceeding was one seeking a review of an interlocutory ruling, based on new matter—a controlling fact—occurring since such ruling. If there had been no appeal from the interlocutory decree of the District Court in the Wisconsin suit, and the application here to give effect to the Pennsylvania final decree as *res adjudicata*

had been made in the District Court (as it might have been in that event), the petition would have been a petition or bill of review, or one in the nature of a bill of review, which is proper where based on new matter (the Pennsylvania final decree) which arose after the entry and affirmance of the interlocutory decree of August 21, 1914. *Hill v. Phelps* (C. C. A. 6th Cir.), 101 Fed. 527; Lord Chancellor Bacon's First Ordinance (quoted by Judge Sanborn in the case last cited); *Dowagiac Co. v. McSherry Co.* (C. C. A. 6th Cir.) 155 Fed. 527; Story's Eq. Pldg. Sec. 404.

Here, however, under the rule of practice applied in the *Potts case*, 166 U. S. 263, which forbids the trial court from entertaining such an application without the assent or authority of the Circuit Court of Appeals which had affirmed the interlocutory decree, it was thought to be necessary for us to apply to that court, as we did. Our petition, while praying certain specific relief—which we conceived was within the power of that court, in order to avoid circuity of action and unnecessary litigation—also prayed “for such other and further or different orders, directions, writs or relief, as, the premises considered, to this court shall seem proper or necessary, to the end that the rights and equities of this applicant and petitioner be secured and enforced.” (Rec., 6.)

5. The rule entered by the court to answer our petition (which was approved by both parties) was (or implies) leave to file our petition—if any such consent was necessary.

The Court of Appeals properly entertained and heard the petition, and (as we understand its position) recognized that if the case there was at the interlocutory stage, then (under the ruling of this court in the *Hart Steel Co. case*) the issues—(1) whether the decree of

the Pennsylvania court was a final adjudication as to the validity of Patent 635,280, and (2) whether the party defendant in the Wisconsin suit was privy to the decree in the Pennsylvania suit—were triable there in the Court of Appeals at Chicago upon the petition and answer herein. (Rec., 263.) All the facts were there (and here) presented by uncontroverted records, as they were in the *Hart* case. The jurisdiction of the Court of Appeals of the whole matter was complete. There was no occasion and there was no disposition manifested by that court to send us with our application to the District Court.

No court has been more explicit and positive than this court in expressing and acting upon the rule and policy of avoiding circuitry of action and saving the expense of unnecessarily prolonging litigation, by the complete disposition of the case by the Appellate Court having before it everything necessary to its disposition. *Smith v. Vulcan Iron Works*, 165 U. S. 518, 525; *Donovan v. Pa. Co.* 199 U. S. 279; *Hamilton Shoe Co. v. Wolf*, 240 U. S. 251, 258, 9; *Denver v. New York Trust Co.* 229 U. S. 123, 136. This court acted upon that rule in deciding the issues of privity and *res judicata* (as the Court of Appeals should have done) in the *Hart Steel Co. case*.

## II.

THE DECREE OF THE DISTRICT COURT OF AUGUST 21, 1914, IN THE WISCONSIN CASE, AND THE DECREE OF THE CIRCUIT COURT OF APPEALS, WERE INTERLOCUTORY AND NOT FINAL. (Our Main Brief, pp. 44 *et seq.*)

CASES IN THIS COURT CITED BY RESPONDENTS' COUNSEL DO NOT APPLY TO A PATENT DECREE SUCH AS IS HERE INVOLVED.

We submit that the decisions of this court cited by us on pages 44 to 47 of our main brief settle the point that such a decree is interlocutory.

None of the decisions of this court cited by respondents' counsel upon this question were patent cases except *Providence Rubber Co. v. Goodyear*, 9 Wall. (76 U. S.) 788, 801; and that case appears to have been *an appeal from the final decree following the accounting*. The language quoted by counsel for respondents (Brief, p. 19) from the opinion in that case was said in connection with the ruling there by this court sustaining the master's action in extending the accounting to include infringements up to the time of his hearing. The case has no sort of application here.

The learned counsel have given no consideration in their brief to the cases cited by us (Brief, pp. 40, 44-45) (commencing with *Barnard v. Gibson*, 7 How. 650, decided more than 70 years ago) which hold decrees such as the Wisconsin decree in question here to be interlocutory and not final. Nor have they given any heed to the distinction between final and interlocutory decrees so clearly defined by Mr. Justice Brown in *McGourkey v. Toledo & O. Ry.* 146 U. S. at p. 541-551, quoted by us in our brief (pp. 45-46).

Counsel also cite decisions of Circuit Courts of Appeal (Resp. Brief, pp. 19-22)—a very few of which are patent cases and none of which are in point. On the other hand, in our brief in support of the petition for certiorari here (pp. 13 to 24), we cited cases in those courts, including the Court of Appeals for the Seventh Circuit holding that such decrees were merely interlocutory and not available as an estoppel in respect to any issue; and a ground for our petition was the conflict of the decision upon that question of the Court of Appeals here under review with such other decisions, both of the Seventh Circuit and of other circuits.

*The Decree here was interlocutory because the Master was plainly given important judicial functions under the Decree and not ministerial duties only.*

The decree here does not refer the case here to the master "for ministerial purpose only," which is the test of finality as held in the *McGourkey* case, 146 U. S. 536, 551, and other cases.

The master here was appointed "to ascertain and report to the court the number of combined pumps and motors involving the subject matter of the claims of Patent No. 635,280, that have been made and also that have been sold by the defendant in infringement of the patent, and the gains and profits made by the defendant thereon, and the damages sustained by the complainant by reason of such manufacture and sale." (Rec., 40.) The master was to determine what machines of defendant were infringements.

The manufacture and sale on which the decree found infringement was between December 1, 1906 and the commencement of suit December 17, 1906. (Stipulation Rec., 31.)

The master here is not confined to any particular pump and motor manufactured or sold by defendant; but includes *all*, whenever made or sold.

The practice prevails in references to a master for an accounting under such decrees in patent cases for the master to perform such judicial function, and this practice is sustained by numerous authorities, of which we ask leave to refer to *Louis Metzger & Co. v. Berlin* (C. C. A. 2nd Cir.), 194 Fed. 426; *Karrell v. Brown* (C. C. A. 2nd Cir.), 208 Fed. 887; *Brown v. Drehan*, 171 Fed. 438. In the case of the *Cawood Patent*, 97 U. S. 695, 708, this court sustaining the patent, instead of deciding whether there had been any infringement, referred to a master to find what machines used by the defendants were infringements; and this practice was not disapproved by this court. So, as we maintain, such decrees in patent cases as that in question here which this court has repeatedly and consistently held to be interlocutory only, are not in the class with foreclosure decrees and others cited and relied on by respondents, which have referred to a master only ministerial matters.

*Respondents' Contention as to the Law of the Case and Res Judicata is unsound. As bearing on the case and question here they are entirely distinct rules.*

Counsel maintain that "the doctrine of the law of the case and that of *res adjudicata* are but phases of one and the same rule, and are not separate and distinct and independent rules." (Brief, p. 23.) This court has settled that question against counsel's contention. In *Remington v. Central Pacific Railroad*, 198 U. S. 95, 100, this court said of the rule of the law of the case that, "it is but practice and not want of jurisdiction that makes the rule." On the other hand, in *Hart Steel Co. v. Railroad Supply Co.* 244 U. S. 294, 299, the court said of

*res judicata*, that "this doctrine of *res adjudicata* is not a mere matter of practice or procedure," but "a rule of fundamental and substantial justice 'of public policy and private peace,' which should be cordially regarded and enforced by the court to the end that rights once established by the final judgment of a court of competent jurisdiction shall be recognized by those who are bound by it in every way wherever the judgment is entitled to respect."

Thus this court has clearly drawn the very important distinction between the rule of practice known as the law of the case—which itself recognizes the jurisdiction and power of the court to ignore it—and the rule of *res adjudicata* which is compulsory and binding.

Assuming as we here do that the former decrees in this Wisconsin case were interlocutory and within the power and control of the Circuit Court of Appeals, and not final and beyond its power to reverse or interfere with—we submit that the final decree in the Pennsylvania suit *was binding* upon the Court of Appeals and District Court in the Wisconsin suit.

### III.

WE CONTROVERT RESPONDENTS' CONTENTION THAT THERE IS A VALID EXISTING GRANT OF PATENT RIGHT IN RESPONDENT CHRISTENSEN, OR THAT THE COURTS OF BOTH CIRCUITS HAVE SO FOUND. (Respondents' Brief, pp. 37-40.)

There was no decree or finding by either of the courts in the Wisconsin suit that any patent or patent right existed other than Letters Patent 635,280. The only finding or judgment was that Patent No 635,280 was good and valid and had been infringed by defendant—which was made by the District

Court (Rec., 40) and affirmed by the Circuit Court of Appeals. (Rec., 50.) In effect that was a judgment that Letters Patent No. 621,324 were canceled and non-existent.

*No more did the Circuit Court of Appeals for the Third Circuit find or adjudge that Letters Patent No. 621,324 were valid or existing.*

Respondents rely in support of their contention here of course upon the language of the opinion of the court, parts of which they quote. (Brief, pp. 37-39.) But their contention is fully answered and refuted by the last paragraph of the opinion, which we quote in full:

"To avoid misunderstanding, and, if possible, to prevent further controversy on several points, we may add that the petitioner is at liberty to urge any defense that may be available under its answer, with the same effect as if the bill had been originally brought under the first patent. On these matters we decide nothing, and we express no opinion upon the question (1) whether, in view of the date when the bill was filed, the remedy in equity was open to the plaintiffs; or upon the question (2) to what extent the petitioner is liable to account in case the equitable remedy be adjudged to have been available, and the petitioner be found to have infringed." (Rec., 112.)

Plainly the Circuit Court of Appeals could not itself have decided that Patent 621,324 is valid, and at the same time leave the petitioner there (defendant in the suit) at liberty to urge the defense of invalidity which its answer asserted, and of which the Court of Appeals said "we decide nothing."

Clearly, the defense of the non-existence and invalidity of Letters Patent 621,324 were "available under its answer":

(a) The facts that patentee Christensen refused to



accept Letters Patent 621,324 and returned them to the Patent Office with such refusal and with the direction or request that they be canceled, and that they were accordingly canceled by the Commissioner of Patents, and Letters Patent 635,280 issued in lieu thereof, running for seventeen years from and after its own date, October 17, 1899, instead of for seventeen years from and after the date of Letters Patent 621,324 (March 21 1899), *were alleged in the bill of complaint.* (Rec., 59-60.) This allegation was not denied by the answer of defendant. (Rec., 67-70.) That matter of defense, viz., that Patent 621,324 had never been accepted, and so stood canceled and nonexistent—appearing from the bill itself—was then clearly “available under its answer.”

(b) The answer also denied the validity of Patent 621,324 on other grounds. (Rec., 68-69.)

The Court of Appeals said what we have quoted, “to avoid misunderstanding, and if possible to prevent further controversy”;—and, as we maintain, to prevent any such controversy or contention as is now presented by the respondents here, viz., that the court there was deciding either the validity of Patent 621,324, or that that court “upheld the patent and the right to recover,” or that “it did not differ from, but was in full harmony with” the decision in the Seventh Circuit; or any other issue than the question of the validity of Patent 635,280.

The Circuit Court of Appeals there reversed the order of the District Court entered on plaintiff’s motion dismissing their bill without prejudice; and directed the entry of the decree—which was entered October 1, 1917 (Rec., 115)—adjudging the second patent invalid, and remanded the case for hearing upon what was left of the bill. Thereupon, on the same day the bill of complaint—what was left of it—was dismissed in the District Court

for want of prosecution. (Rec., 117, docket entry of October 1; p. 203, affidavit of Spooner; pp. 209-10, petition of plaintiffs; p. 125, opinion of District Court; and p. 218, order.) These were the only orders or decrees entered in the Pennsylvania suit after the case was remanded to the District Court. With that dismissal, there went so much of that suit as was based upon the first patent, 621,324, or upon any cause of action therein asserted other than the second patent, 635,280; and the decree adjudging that patent invalid became absolute and final with the expiration of the term of court at which the suit was dismissed.

We submit there is no ground for the contention by respondents that there has been any adjudication in the Pennsylvania suit sustaining Patent 621,324 or any other cause of action asserted in that suit.

#### IV.

AS TO RESPONDENTS' CONTENTION THAT THEIR RIGHTS ARE IDENTICAL UNDER THE FIRST AND SECOND PATENTS; AND AS TO NOTICE AND MARKING. (Page 40.)

##### RESPONDENTS' ALTERNATIVE CASE.

Their argument here and (for the most part) from here on, as we understand it, is in support of their alternative case, in case the second patent be held invalid and out of the case, *i. e.*, the case presented by their amended bill, minus Patent 635,280.

Taking up counsel's line of argument in its order:

1. Respondents contend that no question exists in the Wisconsin suit as to want of notice or marking. (Brief, p. 40.) We do not think there is any room for question as to the facts. There was no notice or mark-

ing, except as to or under the invalid patent, 635,280—none as to or under Patent 621,324 or respondents' alternative case. Let us see:

(a) *As to notice other than marking.*

The notice given by the record in the Patent Office was that Letters Patent 621,324 were canceled and destroyed and that only Patent 635,280 was in existence.

The allegations of the amended bill with respect to notice other than marking are as follows:

*“Seventh.* Plaintiffs further allege and state that the defendant has well known all the facts hereinbefore set forth, but nevertheless contriving to injure the plaintiffs and each of them and to deprive them of the profits, benefits and advantages which might and otherwise would have accrued to the plaintiff from the said exclusive grant and monopoly, whether evidenced by said letters patent or either of them, or otherwise, the defendant” (has unlawfully made, used and sold, etc.). (Rec., 22-23.)

*“Ninth.* Plaintiffs further allege and state that, prior to the institution of this action, they caused due notice to be given to the defendant of said infringements and of the rights of plaintiffs in the premises.” (Rec., 23.)

We maintain:

(1) That knowledge is not equivalent to nor does it supply the need of the notice required by Section 4900 of the Revised Statutes.

(2) The knowledge of all the facts thereinbefore set forth, here alleged in the bill, included knowledge that Patent 621,324 had not been accepted and was canceled at the instance and request of the patentee; and so was not in existence. This allegation cannot be construed to mean that defendant knew of the alternative claim made in the bill under said canceled first patent, or under a supposed monopoly right inde-

pendent of any existing valid letters patent prior to the filing of the amended bill on November 12, 1913. Such knowledge of defendant was confined to the facts alleged that Christensen refused to accept Patent 621,324 and returned the same with such refusal, and that said Letters Patent 621,324 stood and stands canceled upon the records of the Patent Office, by Christensen's procurement, and that no application had been made by Christensen to the Patent Office for any restoration to him of said canceled Letters Patent 621,324 or for any reissue or other correction of the defects or supposed mistakes after the issue of the second patent, and that plaintiffs filed their original bill December 17, 1906, based only the second patent, and stood upon the record of the Patent Office showing 621,324 canceled, and 635,280 outstanding and running for seventeen years from its own date, until the filing of their amended bill November 12, 1913. Such was the knowledge of defendant of the facts alleged in the bill. Defendant was not charged by the bill with any other facts than those alleged.

(b) Plaintiffs' allegation that prior to the institution of the action they caused notice to be given to defendant of the alleged infringements charged in the bill, must have been notice of the infringement of the second patent, 635,280, which alone plaintiffs were then asserting. Knowledge by defendant of that patent as early as May, 1906, was stipulated. (Rec., 31.) It certainly was not any notice of any claim under the first patent, 621,324, or other alleged causes of action which first appeared in the amended bill filed November 12, 1913.

(c) *As to marking under Rev. Stat. Sec. 4900:*

As we have said plaintiffs only alleged in their amended bill the marking under the second patent. (Rec., 22.) No allegation was made of marking under the first pat-

ent; so that there was nothing on that for us to deny in our answer. Therefore, so far as their case on the first patent, or their alternative case—their case minus the second patent—is concerned, there is in this suit no question of marking—*there was no such marking*.

(d) Knowledge,—even if it was as full and complete as the learned counsel contends,—is not equivalent to notice, which is required by Rev. Stat. Sec. 4900, in order to entitle plaintiff to recover. *Dunlap v. Schofield*, 152 U. S. 244.

But here, may be repeat, there was no knowledge on the part of petitioner of Patent 621,324, except the fact shown by the records of the Patent Office that the patentee had returned it with his refusal to accept it, and it had been canceled at the patentee's instance and Patent 635,280 issued.

To respondents' contention (Brief, pp. 43-44) that it is too late for petitioner to raise the question of want of notice, we reply that we certainly can claim want of any other notice than such as is alleged. There can be no claim of notice or knowledge other than that alleged in the amended bill. We need not deny any notice not alleged. Any failure in our answer to deny notice cannot enlarge the plaintiffs' allegations of notice, or furnish any basis for their contending that "the question has not been raised by the pleadings."

2. Counsels' contention (Brief. pp. 50, 63), that letters patent are analogous to title deeds and that actual delivery is unnecessary, but may be presumed, has no application to respondents' alternative case here for the reason that their bill of complaint shows that Christensen refused to accept and rejected the first patent. (Rec., 19-20.) Any presumption of delivery and acceptance is thereby excluded. The case of *U. S. v. Schurz*, 102 U. S.

(12 Otto), 378, cited by counsel, does not help respondents' situation. That case recognized that delivery and acceptance were necessary, but were to be presumed. Here such presumption is excluded.

Counsel for respondents are mistaken in conceiving (Brief, p. 63) that we claimed that a patent is a specialty contract. We said "a peculiar kind of contract and a contract which depends for existence on the very *grant* contained in those letters patent." (Brief, p. 84.)

## V.

### RESPONDENTS' CONTENTIONS IN DIVISION V OF THEIR BRIEF CONSIDERED.

Respondents' contention (Brief, p. 48) that the certiorari here was granted to review only the question of the finality of the decree is clearly refuted by the broad terms of the prayer of our petition for certiorari (p. 10), for such other and further relief in the premises as this court may deem appropriate; and by the writ of certiorari itself. (Rec., 265.)

*Counsel's Contention that the Patent Office's Error did not and could not affect Christensen's Rights.* (Brief, p. 53.)

Not without Christensen's authority or consent.

But the Commissioner of Patents was clearly authorized to cancel Letters Patent 621,324, upon the patentee's statement to him in writing that he refused to accept that patent and asked that it be canceled,—all of which is alleged in the amended bill of complaint. That act of cancellation was not the mistake of the Patent Office. The Patent Commissioner had the right to assume the correctness of Christensen's assertion that he refused to

accept the first letters patent; and thereupon to cancel them by Christensen's direction. Certainly Mr. Christensen had no cause for complaint of such cancellation. To cancel is to annul,—obliterate,—destroy.

It is immaterial here whether or not the Commissioner of Patents was at fault in issuing the second patent for 17 years from its own date. If there was any mistake on the part of the Patent Office in that, it clearly appeared upon the face of that patent. Christensen knew it; and was chargeable with notice thereof. He should have promptly returned the patent for correction. Instead of that he accepted it; marked his machines under it and brought suit upon it for infringement; and although the defendant in its answer, which was promptly filed to the original bill, asserted the invalidity of such second patent, the complainants continued to act upon it alone until the filing of their amended bill some seven years after the suit was commenced; and the records of the Patent Office until this day show cancellation and destruction of the first patent and the existence alone of Patent 635,280. The fact that the record of the Patent Office has been as it is and that there has been no further reissue or correction of the vice in the second patent, is not the fault of the Patent Office but of Mr. Christensen.

Counsel for respondents (Brief, p. 55) assert that in the issue of the second patent, there was a correction and not a reissue. The Circuit Court of Appeals for the Seventh Circuit was of opinion that it was a case of reissue. (Rec., 44.) But that is immaterial.

Counsel for respondents (Brief, p. 56) contend that an erroneous term does not nullify a patent; and such appears to have been the opinion of the Circuit Court of Appeals in this case. (Rec., 44.) If the final decree in the Pennsylvania suit is *res adjudicata* of the invalid-

ity of the second patent, this question of the power of the court to save the patent by shortening its term is one of no sort of importance.

We maintain, however, that the court has no such power. The cases cited by counsel for respondents as to the proper construction of section of the Revised Statutes relating to the term of domestic patents where foreign patents have been previously issued, are not in point.

2. Counsel's contention (Brief, p. 50) that letters patent are analogous to title deeds and that actual delivery is unnecessary, but may be presumed, has no application here for the reason that respondents' case here shows that Christensen refused to accept and rejected the first patent. (Rec., 19-20.) Any presumption of delivery and acceptance is thereby excluded. The case of *U. S. v. Schurz*, 102 U. S. (12 Otto) 378, cited by counsel, does not help respondents' situation. That case recognized that delivery and acceptance were necessary,—delivery and acceptance being presumed. Here such presumption is excluded.

Counsel for respondents are mistaken in conceiving that we said that a patent is a specialty contract. We said "a peculiar kind of contract and a contract which depends for existence on the very grant contained in those letters patent." (Brief, p. 84.)

*McCormick v. Aultman*, 169 U. S. 606, cited by respondents (Brief, pp. 51-52, 54-55), to the point that letters patent duly signed and sealed, have passed beyond the control and jurisdiction of the Patent Office, does not apply here. The court was there speaking as to the power of the Patent Office in the absence of the patentee's authority, or there upon the withdrawal of the application for reissue. Here the Patent Office



had the patentee's consent and request to cancel Patent 621,234.

## VI.

AS TO RESPONDENTS' CONTENTION THAT THE ISSUES IN THE WISCONSIN AND PENNSYLVANIA SUITS WERE DIFFERENT; AND AS TO THE QUESTION OF PRIVITY OF PARTIES.

(a) The issue decided by the final decree in the Pennsylvania suit was *as to the validity of the second patent*. That issue or question was presented to each of the courts in the same way, viz., upon the allegation of the bill of complaint itself. The bills are identical in form in this respect,—the allegations of the Pennsylvania bill being in the same language as those in the Wisconsin bill.

The "subject matter of the issue" was the validity of that patent.

There was no testimony or evidence in the Wisconsin suit that tended to vary or bore upon the allegations of the amended bill as to the issue and terms of the second patent. The same patent, 635,280; the same parties (or privies); the same allegations,—the same facts,—were before the court in the Pennsylvania suit, as in the Wisconsin suit, which bore at all upon the question of the validity of Patent 635,280. The cases cited in respondents' argument, pages 64 to 70, are not in point and have no application.

(b) Respondents' contention that the question in the Pittsburgh case as to the validity of Patent 635,280 did not involve "merits of the controversy," is obviously unsound. Clearly the question of the validity of said patent is one as to the merits.

Respondents' renewed argument (Brief, pp. 80-81) that the validity of the first patent, in view of the issue of the second, has been sustained, has, as we believe, been fully covered by what we have herein said.

(c) *The defendants in the two suits were in privity.*

This question, discussed in respondents' brief, pages 74 to 80, we think we may leave upon our former brief.

That question becomes important (so far as the matter of the respondents' knowledge of it has any bearing), only in connection with the conduct of the Pennsylvania suit. At the time when they consented to the hearing in the Circuit Court of Appeals for the Third Circuit of the case presented to that court (Rec., 109), they certainly knew of it; and that is sufficient for our purpose here. Before that time Christensen and his counsel had in affidavits testified in the Pennsylvania suit to the fact showing such privity in that suit. See affidavit of Christensen (Rec., 90) that the defendant in the Wisconsin suit is a subsidiary of the defendant in the Pennsylvania suit; and the affidavit of his counsel, Mr. Rummeler, that the stock of the Milwaukee defendant was owned and controlled by the same persons or concern as was the stock of the defendant in the Pennsylvania suit, or that both are subsidiaries of or controlled by the Westinghouse Air Brake Company. (Rec., 91-92.) But the facts showing privity and Christensen's knowledge of it long before that time are shown by the evidence referred to in our former brief. (pp. 27-31.) There is the same situation in this respect as existed in the *Hart Steel Company* case, where this court held there was privity, viz., the ownership since 1911 by the Pennsylvania defendant here of all the capital stock of the Milwaukee defendant.

## VII.

We believe that division VII of respondents' brief has been already covered herein.

## VIII.

AS TO THE DISPOSITION BY THIS COURT OF THE CASE, OR THE DIRECTIONS TO BE GIVEN; AND AS TO RESPONDENTS' POSITION RESPECTING THE POWER OF THIS COURT TO DISREGARD REFERENCE IN THE DECREES TO THE SECOND PATENT; OR TO CONSTRUER THE DECREES OF THE LOWER COURTS IN THIS SUIT SO AS TO REFER TO THE MONOPOLY RIGHT OR CONTRACT IRRESPECTIVE OF PATENTS. (Brief, pp. 82 *et seq.*)

1. We beg to refer to our treatment of this subject in our main brief (pp. 72 to 80). We there maintain that existing valid letters patent are essential to plaintiff's case or right of recovery; that as this court said in *Marsh v. Nichols*, 128 U. S. 605 (syllabus), and 611-614, "the letters operate as a patent for the invention claimed"; that "until the patent is issued there is no property right in it, that is, no such right as the inventor can enforce"; that (quoting Chief Justice Taney in *Gayler v. Wilder*, 10 How. 477, 493), "this right is created by the patent and no suit can be maintained by the inventor against any one using it before the patent is issued."

*Patent 635,280 being invalid and out of the Case  
Respondents have no Case Left.*

In other words, our contention there and here made is that the respondents have no case for recovery of profits or damages, where (as here) they have no valid existing letters patent, or where their case is only based upon

their *right* to such a patent which (as this court said in *Marsh v. Nichols, supra*, is "no such right as the inventor can enforce"; and that they present in their amended bill of complaint no case for recovery either upon the canceled first patent, or upon a supposed contract with the government, or upon a supposed equitable or other right to have such a patent, if Christensen had sought it (by returning Patent 635,280 for reissue or proper correction), which he never did.

*Respondents' Position as to the Court's Power.*

The learned counsel for respondents contend that in case this court holds the decree in the Milwaukee suit to be interlocutory, it has power either to construe that decree or to amend it to conform to the facts.

We have in our brief admitted—indeed contended for—the power (and the duty) of this court, with the sufficient record before it, finally to dispose of the case. (Brief, pp. 74 *et seq.*) It appears now that counsel for respondents substantially concur in that view of the court's power.

We differ, however, with them in these respects:

(1) If this court finds from the record that the respondents have no ground for recovery upon their alternative case, *i. e.*, their case minus the second patent, then as we maintain this court may so determine and dispose of the case and dismiss or direct or direct the dismissal of the suit.

(2) If, on the other hand, the court is of opinion that our contention for the dismissal of the suit on the merits is not well taken, or in its discretion should determine that the plaintiffs should be permitted to assert in the District Court their alternative case, then we beg to say:

(3) That upon such alternative case, on its merits, the defendants have not been fully heard in the trial court.

(4) That the plaintiffs have not alleged or shown any sufficient notice to the defendant to entitle them to recover either upon the first patent; or upon the alleged contract with the government, or a supposed grant which is not evidenced and has not since the cancellation of the first patent been evidenced by any valid outstanding letters patent.

(5) That if, forsooth, the defendants may have such a right to recover, it could only be on account of infringements occurring after the filing of the amended bill of complaint on November 12, 1913, if that may be regarded as such notice to defendant. There is nothing in the record to show that the defendant is guilty of any infringements during that period.

(6) The accounts going on under the second patent should be set aside.

(7) There can be no injunction,—whatever patent rights, if any, the plaintiffs had, having, as respondents admit, expired March 21, 1916.

Respectfully submitted,

JOHN S. MILLER,  
EDWARD OSGOOD BROWN,  
PAUL SYNNESTVEDT,  
CHARLES A. BROWN,

*For Petitioner.*



## Opinion of the Court.

254 U. S.

application is reviewable in this court by certiorari, not by appeal, since the application is ancillary to the original jurisdiction over the case, as one arising under the patent laws. P. 432.  
258 Fed. Rep. 880, reversed.

THE case is stated in the opinion.

Mr. John S. Miller, with whom Mr. Edward Osgood Brown, Mr. Paul Synnestvedt and Mr. Charles A. Brown were on the briefs, for petitioner, contended, *inter alia*, that the decree in Pennsylvania was the first final one, the Wisconsin decree being merely interlocutory, and that it was the duty of the Circuit Court of Appeals in the latter case to give effect to the Pennsylvania decree, by recalling its mandate, setting aside its affirming order and directing the District Court to vacate its own former decree and enter one adjudging the patent invalid. They claimed that the case was one with *Hart Steel Co. v. Railroad Supply Co.*, 244 U. S. 294.

Mr. Joseph B. Cotton and Mr. Louis Quarles, with whom Mr. William R. Rummeler and Mr. Willet M. Spooner were on the brief, for respondents, contended that the Wisconsin decrees were final and settled the law of the case; that, for various reasons, the rulings in Pennsylvania were not *res judicata*, and that there was no application for the *Hart Steel Co. Case*, in which the decree set up as *res judicata* was presented to the Circuit Court of Appeals in a case pending before and as yet undecided by it. A number of other propositions were discussed in both arguments.

Mr. Charles Neave and Mr. Clarence D. Kerr, by leave of court, filed a brief as *amici curiæ*.

MR. JUSTICE DAY delivered the opinion of the court.

Suit was brought by Christensen and the Allis-Chalmers Company in the District Court of the United States for

the Eastern District of Wisconsin against the National Brake & Electric Company for infringement of patent to Christensen No. 635,280 for improvement in a combined pump and motor. After answer, the petition was amended so as to set up that Christensen before the issue of the patent No. 635,280 had obtained a patent for the same invention under No. 621,324, and that because of defects the same had been returned to the Commissioner of Patents, and the new letters issued for the same invention, and that the Commissioner of Patents cancelled letters patent No. 621,324 and issued letters patent No. 635,280 for the full term of 17 years from October 17, 1899.

In the amended bill it was prayed that the patent monopoly to Christensen be adjudged to be valid for 17 years from March 21, 1899, the date of the first patent, and the second letters patent be held by the court to be evidence of the grant for the term of 17 years from that date. Answer was filed, testimony taken, and a decree was rendered in favor of Christensen, the District Court holding that whether the patent monopoly were evidenced by one or the other or both of the two letters patent, was immaterial. Appeal was taken to the Circuit Court of Appeals for the Seventh Circuit, where the decree of the District Court was affirmed (229 Fed. Rep. 564), and mandate was duly issued to the District Court. After a petition for rehearing was denied, an application was made to this court for a writ of certiorari, which was denied February 21, 1916. 241 U. S. 659. On the remand to the District Court a master was appointed and an accounting begun.

On March 11, 1916, Christensen and the Allis-Chalmers Company filed a bill of complaint against the Westinghouse Traction Brake Company in the District Court of the United States for the Western District of Pennsylvania. Issues were made up, and evidence was taken.

We do not deem it necessary for present purposes to



recite the history of the litigation in the proceedings in Pennsylvania. Thereafter, the Brake & Electric Company made application in the District Court in Wisconsin asking to have the benefit of the decree in Pennsylvania dismissing the bill by setting up that decree as *res judicata*. The District Court denied the petition. Afterwards, on August 19, 1918, the Brake & Electric Company presented and filed a motion and petition upon which the Circuit Court of Appeals, Seventh Circuit, rendered the decree which is now the subject of review.

The petition alleges that the decree in the Pennsylvania suit was one presenting the same issues as were presented and considered in the Wisconsin suit; that the plaintiffs were the same, and the defendants were in privity; that in the Pennsylvania suit it was adjudged, in accordance with the mandate issued by direction of the Circuit Court of Appeals of the Third Circuit that patent No. 635,280 was issued without warrant, and that the bill of complaint as to that patent should accordingly be dismissed; that upon further proceedings had in the Court of Appeals in the Third Circuit and the District Court in Pennsylvania as to patent No. 621,324 the bill upon that patent was dismissed for want of prosecution. A transcript of the proceedings in the District Court of the United States for the Western District of Pennsylvania was presented, and petitioner stated that it was advised that the District Court for the Eastern District of Wisconsin had no power or authority without the assent of the Circuit Court of Appeals for the Seventh Circuit to entertain the motion or application to set aside or modify the former decree of such District Court affirmed by the Circuit Court of Appeals, but that the Circuit Court of Appeals had such jurisdiction and power, and that because of the final adjudication in the District Court for the Western District of Pennsylvania the suit in the District Court of the Eastern District of Wisconsin should be dismissed on the

motion of the petitioner. The petition recited the proceedings in the District Court of Wisconsin, and the fact that that court was proceeding to take an accounting under the former decree. The prayer of the petition was that the Circuit Court of Appeals take jurisdiction of the petition, and inquire into and determine the status of the case, and the force and effect of the final judgment of the District Court of the Western District of Pennsylvania, and hold the same to be a final adjudication, and that the petitioner was entitled to a final decree in the suit in Wisconsin dismissing the same for want of equity; that the District Court be directed to proceed and act accordingly; and the court was asked to issue such orders in the premises, and such writ or writs of certiorari or otherwise as might be necessary or proper, and such further and different orders, directions, writs or relief as should seem proper or necessary.

The Circuit Court of Appeals for the Seventh Circuit refused to grant any relief upon the petition, holding that the decree of the Wisconsin Court was final in its character, notwithstanding it was interlocutory in form, and that the decree in the Third Circuit could not be set up as *res judicata* between the parties. 258 Fed. Rep. 880. From that decree the writ of certiorari brings the case to this court.

It thus appears that in a suit upon a patent, and one subsequently issued alleged to be for the same invention, Christensen had obtained a decree in the Wisconsin District Court sustaining the right to a patent monopoly and an accounting. From this decree appeal had been taken to the Circuit Court of Appeals for the Seventh Circuit, where the decree was affirmed, and the cause remanded to the District Court, where the accounting was in progress. Subsequently Christensen brought the suit in Pennsylvania upon the patent rights in controversy which resulted in a decree which, it is contended,

is binding upon Christensen, and *res judicata* as to the invalidity of the patent.

In such case the Brake & Electric Company if it wished to avail itself of the Pennsylvania decree had the right to apply by petition in the appellate court of the Seventh Circuit for leave to file a bill in the court of original jurisdiction in the nature of a bill of review, setting up the new matter as a bar to further proceedings. Such applications are addressed to the sound discretion of the appellate tribunal, and should be decided upon considerations addressed to the materiality of the new matter and diligence in its presentation. *Rubber Co. v. Goodyear*, 9 Wall. 805; *In re Gamewell Co.*, 73 Fed. Rep. 908; *Keith v. Alger*, 124 Fed. Rep. 32; *Society of Shakers v. Watson*, 77 Fed. Rep. 512.

The matter was considered in *In re Potts*, 166 U. S. 263, where this court reversed a decree of the Circuit Court dismissing a bill upon a patent, holding that the patent was valid and had been infringed by the defendant, and remanding the cause to the Circuit Court for further proceedings. It was held that the Circuit Court had no authority to grant or entertain a petition filed without leave of this court for a rehearing for newly discovered evidence, and that mandamus was the proper remedy to set aside the order of the Circuit Court failing to execute the mandate of this court. The authorities were reviewed by Mr. Justice Gray, speaking for the court. Among other things he said: "In this respect, a motion for a new trial or a petition for a rehearing stands upon the same ground as a bill of review, as to which Mr. Justice Nelson, speaking for this court, in *Southard v. Russell*, above cited, said: 'Nor will a bill of review lie in the case of newly discovered evidence after the publication, or decree below, where a decision has taken place on an appeal, unless the right is reserved in the decree of the appellate court, or permission be given on an application to

that court directly for the purpose. This appears to be the practice of the Court of Chancery and House of Lords, in England; and we think it founded in principles essential to the proper administration of the law, and to a reasonable termination of litigation between the parties in chancery suits.' 16 How. 570, 571. So, in *United States v. Knight*, 1 Black, 488, 489, Chief Justice Taney said that, in a case brought before this court exercising general jurisdiction in chancery, 'the defeated party, upon the discovery of new evidence, may, after a final decree in this court, obtain leave here to file a bill of review in the court below to review the judgment which this court had rendered.' "

In *In re Potts* it was held that unless application was made to this court within twenty days for leave to file a petition for a rehearing in the Circuit Court, the writ of mandamus would issue as prayed.

In *Potts & Co. v. Creager*, 97 Fed. Rep. 78, 79, it appears from the statement of subsequent proceedings in the case that this court upon application granted leave to file a petition for rehearing in the Circuit Court.

That leave to file a supplemental petition in the nature of a bill of review may be granted after the judgment of the appellate court, and after the going down of the mandate at the close of the term at which judgment was rendered, was held in *In re Gamevell Co.*, 73 Fed. Rep. 908, in a carefully considered opinion rendered by the Circuit Court of Appeals for the First Circuit, reciting the previous consideration of the question in cases in this court. We think these cases settle the proper practice in applications of this nature.

This case is unlike the one before us in *Hart Steel Co. v. Railroad Supply Co.*, 244 U. S. 294, in which it was held that a decree in a patent infringement suit affirmed by the Circuit Court of Appeals for the Sixth Circuit, while a like decree was pending but not yet heard before the Circuit Court of Appeals for the Seventh Circuit, upon a

motion seasonably made in the latter Court of Appeals, should have been held to be *res judicata* because of the legal identity of the subject-matter and privity of the parties.

In the instant case the Circuit Court of Appeals for the Seventh Circuit, treating the application as an original petition to have the decree made in the Third Circuit pronounced *res judicata*, held that the former decree in the Seventh Circuit was final, and denied the prayer of the petition.

In our view the proper practice in matters of this sort required the Circuit Court of Appeals to regard the petition, taking all of its allegations together, and with its prayer for general relief, as an application for leave to file in the District Court a petition in the nature of a bill of review invoking a consideration of the effect of the judgment in the Third Circuit. Such consideration the Circuit Court of Appeals may well be directed to undertake in the exercise of its proper function in determining the rights of the parties, and for that purpose its judgment should be reversed, without passing in this court upon the merits of the petition. This procedure is sanctioned by former decisions of this court. *Lutcher & Moore Lumber Co. v. Knight*, 217 U. S. 257; *Cramp & Sons Co. v. Curtiss Turbine Co.*, 228 U. S. 646; *Brown v. Fletcher*, 237 U. S. 583.

A motion was made to dismiss the writ of certiorari upon the ground that this case is one in which an appeal might have been had. But we are of opinion that in view of the nature of the application, and the status of the case brought for infringement of the patents in question, the proceeding was not of that character in which an appeal would lie to this court. We held in *Macfadden v. United States*, 213 U. S. 288, that the line of division between cases appealable from the Circuit Court of Appeals and those made final in that court was determined by the

source of original jurisdiction of the trial court, and not by the nature of the questions of law raised or decided.

In our view the petition filed in the Circuit Court of Appeals was ancillary to the original jurisdiction invoked, and was still in its essence and nature a suit involving the validity of a patent, which is expressly made final in the Circuit Court of Appeals, subject to the right of this court to review by writ of certiorari.

It follows that the decree of the Circuit Court of Appeals should be reversed, and the case remanded to that court for further proceedings upon the petition filed by the National Brake & Electric Company in conformity with the opinion of this court.

*Reversed.*

NATIONAL BRAKE & ELECTRIC COMPANY v.  
CHRISTENSEN ET AL.

CERTIORARI TO THE CIRCUIT COURT OF APPEALS FOR THE  
SEVENTH CIRCUIT.

No. 111. Argued December 10, 1920.—Decided January 3, 1921.

1. When a patent for an invention has been sustained by the Circuit Court of Appeals and the case has been remanded to the District Court for an accounting, a party claiming that a subsequent decree in another circuit should be given effect as *res judicata* against the patent should apply by petition to the Circuit Court of Appeals for leave to file a bill in the District Court in the nature of a bill of review, setting up the new matter as a bar to further proceedings. P. 429.
2. Such applications are addressed to the sound discretion of the appellate tribunal, and should be decided upon consideration of the materiality of the new matter and diligence in its presentation. P. 430.
3. Leave to file such a bill of review may be granted after the judgment of the appellate tribunal and after the going down of its mandate at the close of the term at which judgment was rendered. P. 431.
4. *Held*, that an application made to the Circuit Court of Appeals in this case was an application of that character, and not an application to have the other decree pronounced *res judicata* by that court. P. 432.
5. The decision of the Circuit Court of Appeals rejecting such an